A. Allen, Murden & Nystrom, Inc., 1616 H Street NW., Washington, D.C.
B. Committee of European Shipowners, Post Office Box 47, Bremen, Germany, and New York Advisory Group, 29 Broadway, New York, N.Y.

A. Monroe Butler, 550 South Flower Street, Los Angeles, Calif.
B. The Superior Oil Co., 550 South Flower Street, Los Angeles, Calif.

A. John D. Conner, 1625 K Street NW., Washington, D.C.
B. Book Manufacturers' Institute, Inc., 25 West 43d Street, New York, N.Y.

A. Council of Mutual Savings Institutions, 51 East 42d Street, New York, N.Y.

A. Louise S. Damiani, Post Office Box 54, Gatun, C.Z.
B. Canal Zone Central Labor Union & Metal Trades Council, Post Office Box 471, Balboa Heights, C.Z.

A. Michael B. Deans, 1411 K Street NW., Washington, D.C.
B. Automotive Service Industry Association, 1411 K Street NW., Washington, D.C.

A. Ely, Duncan & Bennett, 1200 Tower Building, Washington, D.C.
B. Taxpayers Association of Leland Township Summer Home Owners, Inc., Box 215, Leland, Mich.

A. Herbert A. Fierst, 607 Ring Building, Washington, D.C.

A. General Council of British Shipping, 3/6, Bury Court, St. Mary Axe, London, E.C. 3.

A. John F. Griner, 900 F Street NW., Washington, D.C.
B. American Federation of Government Employees, 900 F Street NW., Washington, D.C.
A. Hester, Owen & Crowder, 432 Shoreham Building, Washington, D.C.
B. Life Insurance Co. of North America, 1600 Arch Street, Philadelphia, Pa.

A. Irvin A. Hoff, 1001 Connecticut Avenue, Washington, D.C.
B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C.

A. Charles B. Jennings, 1028 Connecticut Avenue NW., Washington, D.C.
B. American Stockyards Association, 1028 Connecticut Avenue, Washington, D.C.

A. Kenneth C. Landry, 1735 New York Avenue NW., Washington, D.C.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C.

A. James B. Lennon, 919 18th Street NW., Washington, D.C.

A. Joseph M. Lovci, 1612 K Street NW., Washington, D.C.

A. John A. McCart, 100 Indiana Avenue NW., Washington, D.C.
B. Government Employes' Council, 100 Indiana Avenue NW., Washington, D.C.

A. Missouri Railroad Committee, 906 Olive, St. Louis, Mo.

A. G. Merrill Moody, 944 Transportation Building, Washington, D.C.
B. Association of American Railroads, 944 Transportation Building, Washington, D.C.

A. J. Allen Overton, Jr., 1102 Ring Building, Washington, D.C.
B. American Mining Congress, Ring Building, Washington, D.C.

A. Norman Paige, 1001 Grant Street, Gary, Ind.
B. The Anderson Company, 1001 Grant Street, Gary, Ind.

A. Robert A. Peerless, 5501 Southwest 40th Avenue, Fort Lauderdale, Fla.

A. Richard N. Philleo, 1 Farragut Square South, Washington, D.C.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill.

A. Lawrence D. Reedy, 420 Lexington Avenue, New York, N.Y.
B. American Association of Advertising Agencies, Inc., 420 Lexington Avenue, New York, N.Y.

A. J. T. Rutherford, 1616 P Street NW., Washington, D.C.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C.

A. William H. Scheick, 1735 New York Avenue NW., Washington, D.C.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C.

A. John L. Sullivan, 804 Ring Building, Washington, D.C.
B. National Association of Mutual Insurance Cos., 1927 North Meridian Street, Indianapolis, Ind.

A. B. J. Viviano, 1223 Pennsylvania Building, Washington, D.C.
B. The Pennsylvania Railroad Co., 6 Penn Center Plaza, Philadelphia, Pa.

A. Richard W. Wilson, 2000 Florida Avenue NW., Washington, D.C.
B. National Rural Electric Cooperative Association, 2000 Florida Avenue NW., Washington, D.C.

SENATE

MONDAY, APRIL 1, 1963

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Most Reverend Archbishop Vasili, of the Byelorussian Autocephalic Orthodox Church in the United States, offered the following prayer:

In the name of the Father, and the Son, and the Holy Ghost; Almighty God, our Heavenly Father, we, Thy children, humbly bow and glorify Thy divine grace and offer our profound gratitude for the abundant blessings Thou hast bestowed upon America and her people.

We entreat Thee, our Saviour, to bless our beloved President, to strengthen and assist him in his endeavor for freedom all over the world. Bless our Vice President; grant courage and wisdom to the Members of the Senate, this temple of peace, freedom, and justice.

Eternal God and Redeemer, Thou hast instilled in our hearts at birth the desire to live as free human beings. We beseech Thee today, on the 45th anniversary of the declaration of independence of Byelorussia, to lift Thy benevolent countenance on this enslaved nation, and to sustain them with hope of freedom from the brute, godless force, and tortures of the inhuman rulers.

Almighty God and Father of all nations, we pray to Thee that the Byelorussian nation and all other nations in captivity may have soon Thy blessed freedom, that they may assume their rightful place among the free nations of the world under Thy universal guidance, care, love, and righteousness.

We humbly bow our heads before Thee, our God and Saviour, and faithfully implore Thee: Accept this, our prayer; bless the United States of America and Byelorussia.

May Thy glorious name, our God and Father, through Jesus Christ, Thy Son, our Lord, in the unity of the Holy Ghost live, reign, and shine in our hearts and be blessed now and forever. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 28, 1963, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a joint resolution (H.J. Res. 282) designating the 6-day period beginning April 15, 1963, as "National Harmony Week," and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 86. Concurrent resolution to authorize the printing as a House document the pamphlet entitled "Our Flag";

H. Con. Res. 98. Concurrent resolution to authorize the printing of a wall map of the United States;

H. Con. Res. 108. Concurrent resolution to provide for the printing of "How Our Laws Are Made" as a House document; and

H. Con. Res. 119. Concurrent resolution to print as a House document the Constitution of the United States, with an analytic index and ancillaries regarding proposed amendments.

The message further announced that the House had passed, without amendment, the bill (S. 1089) to authorize the sale, without regard to the 6-month waiting period prescribed, of cadmium proposed to be disposed of pursuant to the Strategic and Critical Materials Stockpiling Act.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 1597) relating to the tax treatment of redeemable ground rents, and it was signed by the President pro tempore.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 282) designating the 6-day period beginning April 15, 1963, as "National Harmony Week," and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were referred to the Committee on Rules and Administration:

H. Con. Res. 86. Concurrent resolution to authorize the printing as a House document the pamphlet entitled "Our Flag":

"Resolved by the House of Representatives (the Senate concurring), That the publication entitled 'Our Flag', published by the Office of Armed Services Information and Education, Department of Defense, be printed with illustrations as a House document; and that three hundred thousand additional copies be printed, of which two hundred thousand shall be for the use of the House of Representatives and one hundred thousand shall be for the use of the Senate."

H. Con. Res. 98. Concurrent resolution to authorize the printing of a wall map of the United States:

"Resolved by the House of Representatives (the Senate concurring), That there be compiled and printed fifty-nine thousand three hundred and fifty copies of a wall map of the United States, prepared cooperatively by the Bureau of Land Management and the Geological Survey of the Department of the Interior, showing information, including historical data, concerning public surveys, reservations, and other appropriate dedications of land of the United States, to be printed on a single sheet, approximately three and one-half feet by five and one-half feet, of which forty-three thousand nine hundred copies shall be for the use of the House of Representatives and fifteen thousand four hundred and fifty copies for the use of the Senate."

H. Con. Res. 108. Concurrent resolution to provide for the printing of "How Our Laws Are Made" as a House document:

"Resolved by the House of Representatives (the Senate concurring), That the brochure entitled 'How Our Laws Are Made', by Doctor Charles J. Zinn, law revision counsel of the House of Representatives Committee on the Judiciary, as set out in House Document 136 of the Eighty-seventh Congress, be printed as a House document, with emendations by the author and with a foreword by Honorable Edwin E. Willis; and that there be printed one hundred and thirty-two thousand additional copies to be prorated to the Members of the House of Representatives for a period of ninety days after which the unused balance shall revert to the Committee on the Judiciary.

"SEC. 2. There shall be printed thirty thousand nine hundred additional copies of such document for the use of the Senate."

H. Con. Res. 119. Concurrent resolution to print as a House document the Constitution of the United States, with an analytical index and ancillaries regarding proposed amendments:

"Resolved by the House of Representatives (the Senate concurring), That there is authorized to be printed as a House document the Constitution of the United States, with an analytical index and ancillaries regarding proposed amendments, prepared by Representative Emanuel Celler, of New York, and that twenty-five thousand additional copies be printed, of which five thousand shall be for the use of the House Committee on the Judiciary and the balance prorated to the Members of the House of Representatives."

CALL OF LEGISLATIVE CALENDAR DISPENSED WITH

On request of Mr. MANSFIELD, and by unanimous consent, the call of the legislative calendar was dispensed with.

LIMITATION ON STATEMENTS DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the executive calendar, beginning with the new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

PROTOCOL TO AMEND THE CONVENTION ON INTERNATIONAL CIVIL AVIATION—REMOVAL OF INJUNCTION OF SECRECY

Mr. MORSE. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive D, 88th Congress, 1st session, a protocol to amend the Convention on International Civil Aviation, signed on September 15, 1962, transmitted to the Senate today by the President of the United States; that the protocol and the message from the President be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the protocol dated at Rome September 15, 1962, to amend the Convention on International Civil Aviation done at Chicago on December 7, 1944. The protocol was approved at Rome on September 14, 1962, by the Assembly of the International Civil Aviation Organization during its 14th session and signed by the President and the Secretary General of the Assembly on September 15, 1962.

The protocol, embodying a proposed amendment to article 48(a) of the Convention, increases the number of requests from contracting states required to convene an extraordinary meeting of the Assembly from 10 contracting States to not less than one-fifth of the total number of contracting states.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State regarding the protocol.

JOHN F. KENNEDY.

APRIL 1, 1963.

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of the protocol dated at Rome September 15, 1962, relating to an amendment to the Convention on International Civil Aviation.)

CONVENTION ON EXTRADITION WITH ISRAEL—REMOVAL OF INJUNCTION OF SECRECY

Mr. MORSE. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive E, 88th Congress, 1st session, a convention on extradition with Israel, signed on December 10, 1962, transmitted to the Senate today by the President of the United States; that the convention and the message from the President be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention on extradition between the Government of United States of America and the Government of the State of Israel, signed at Washington December 10, 1962.

I also transmit for the information of the Senate the report made to me by the Secretary of State with respect to the convention.

JOHN F. KENNEDY.

THE WHITE HOUSE, *April 1, 1963.*

(Enclosures: (1) Report of the Secretary of State; (2) convention of extradition between the United States and Israel, signed December 10, 1962.)

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar, beginning with the new reports, will be stated.

POST OFFICE DEPARTMENT

The Chief Clerk read the nomination of Fred Gates, of Minnesota, to be a member of the Advisory Board for the Post Office Department.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. HUMPHREY subsequently said: Mr. President, it was with a great feeling of personal satisfaction today that I

joined with my colleagues in confirming the nomination to the Post Office Advisory Board of Mr. Fred Gates, of Minneapolis. Mr. Gates has been a valued and trusted counselor of both Senators from Minnesota for many years. His unselfish dedication to the public welfare, his generosity to those less fortunate, his strong sense of civic duty, and his absolute integrity have earned him the respect and friendship of all who know him. A strong family man and a pillar of his church, Mr. Gates exemplifies the type of American businessman who carries his ideals and principles into the everyday life of business. As secretary and one of the founders of the Minnesota Senatorial Businessmen's Advisory Committee, Mr. Gates has provided leadership to a group of more than 250 Minnesota businessmen who regularly meet with and make recommendations on public policy to Minnesota's two U.S. Senators.

The Lebanese-American community throughout America will also no doubt be pleased at the honor which has been given them by President Kennedy's choice of one of their most respected and beloved members.

Minnesota is deeply honored to have another of its sons serving on an important advisory board of the Federal Government, and I can assure you, Mr. President, that in Mr. Fred Gates, the Postmaster General has acquired an adviser who shares with him his strong interest in efficiency and economy. Indeed, over the period of two decades in which I have spent in the public service, I can honestly state that I know of no man who is more passionately devoted to the principle of economy nor more bitterly opposed to waste. Mr. Gates is a man of high standards, as much for himself as for his friends and colleagues, and I know that he will advise the authorities of the Post Office Department in as candid and fearless a manner as he has always been accustomed to do in other matters relating to the public welfare.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXTENSION OF PROVISIONS RELATING TO DUAL RATE CONTRACTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 70, Senate bill 1035.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1035) to extend the provisions of section 3 of Public Law 87-346, relating to dual rate contracts.

Mr. MANSFIELD. Mr. President, it is my understanding that there is no opposition to the bill. It has been cleared on both sides and with all parties known to be interested.

I ask unanimous consent that an excerpt from the report on the bill be printed at this point in the RECORD.

There being no objection, the excerpt from the report (No. 79) was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The bill would extend for 1 year (to April 3, 1964) the period during which the Federal Maritime Commission is required by the provisions of Public Law 87-346 to approve, disapprove, cancel, or modify, existing dual rate contracts in use in the waterborne foreign commerce of the United States.

It would amend section 3 of the act by striking the words "of not to exceed one year after such filing" from the next to last sentence and inserting in lieu thereof "but not beyond April 3, 1964", and by striking the word "year" from the last sentence and inserting in lieu thereof the word "period".

REASON FOR THE BILL

Public Law 87-346, enacted on October 3, 1961, authorized ocean common carriers and conferences thereof serving the foreign commerce of the United States to enter into "effective and fair" dual rate contracts with shippers and consignees. To insure that the contracts would be fair to all concerned, Congress set a number of strict standards which these agreements must meet, and provided that all dual rate contracts in effect at the time of enactment would continue in effect, under certain conditions.

First, parties to the agreements were given 6 months, to April 3, 1962, to modify the existing agreements and bring them into compliance with the new standards established, and to submit the agreements as modified to the Federal Maritime Commission for approval. The act further provided that all such modified agreements submitted for approval would be lawful for a further period of not to exceed a year, within which period the Commission was directed to approve, disapprove, cancel, or modify the agreements and amendments in accordance with the provisions of the act.

To a new Commission, which had been established less than 2 months previously and was still in the throes of organization, the assignment handed them was simply beyond the capacity of the limited staff available. The volume and diversity of comments from carriers and shippers in the necessary rulemaking procedures were enormous, and these all had to be considered in relation to previous practices and procedures of some 40 years standing.

Additionally, the act required that all common carriers affected by these changed standards must file tariffs of their rates, in the form and manner prescribed by the Commission, and the Commission was directed to disapprove any such rate upon a finding, after hearing, that such rate is so unreasonably high or low as to be detrimental to the commerce of the United States.

Public Law 87-254, enacted September 19, 1961, compounded the Commission's regulatory duties by providing for the licensing of ocean freight forwarders, necessitating further extensive rulemaking procedures.

During the fiscal year 1962, the first year of the Commission's operations, the average employment was 125. Recognition by the administration and by Congress that the Commission was inadequately staffed to perform the heavy regulatory duties entailed by Public Law 87-326 particularly, is evidenced by the record. Funds were provided for fiscal 1963 to permit an average employment of approximately 212 persons; and an average staff of 282, more than double the original figure, is requested in the budget for fiscal 1964.

The Department of Justice has advised orally that it is raising no objection to enactment.

The statement of the Federal Maritime Commission which accompanied the request for introduction of the bill follows:

"The bill would extend the period during which the Federal Maritime Commission shall approve, disapprove, cancel, or modify existing dual rate contracts in use in our waterborne foreign commerce for a period of 1 year.

"By Public Law 87-346 Congress imposed comprehensive requirements which must be included in dual rate contracts. Section 3 of Public Law 87-346 provides that all existing dual rate contracts which were lawful on the date that the law was enacted, if modified to comply with the requirements of Public Law 87-346 within 6 months (April 3, 1962), would remain lawful for a period not to exceed 1 year (April 3, 1963).

"The section provided that the Commission within such year approve, disapprove, cancel, or modify such contract in accordance with the new requirement contained in that Public Law.

"On or about April 3, 1962, amendments to some 60 dual rate contracts were filed with the Commission pursuant to the foregoing statutory provisions.

"As required by law, by appropriate notice in the Federal Register the Commission requested the views of interested persons. Comments were received from many interested parties, particularly shippers, exporters, and importers which raised objection to many of the amendments proposed, and requested an opportunity to be heard as provided by Public Law 87-346 before the Commission took action to approve, disapprove, cancel, or modify the contracts.

"In accordance with the desires of Congress as expressed in the House and Senate committee reports on the bill which became Public Law 87-346, the Commission has also undertaken to a formal rulemaking proceeding to deal with certain matters which, to some extent, were left unsolved by the public law. This rulemaking proceeding must, of necessity, be closely coordinated with the 60 individual contract proceedings.

"In order to afford all persons the rights accorded to them under the procedures set out in Public Law 87-346 and in view of the many complex questions which unavoidably flow from the Commission's attempt to accord due weight to the many and diverse interests represented in these matters, additional time is needed to allow the Commission to discharge its responsibility in approving, disapproving, canceling, or modifying the amended contracts. The bill would extend until April 3, 1964, the time by which the Commission must pass upon the lawfulness of all current contracts; and, while it is our serious hope and intention that the matter will be disposed of short of that time, prudence suggests that the April 3, 1964, date would not be unreasonable."

The VICE PRESIDENT. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of October 3, 1961 (Public Law 87–346; 76 Stat. 762), is amended as follows:

"(a) By striking the words 'of not to exceed one year after such filing' from the next to last sentence and inserting in lieu thereof 'but not beyond April 3, 1964.'

"(b) By striking the word 'year' from the last sentence and inserting in lieu thereof the word 'period'."

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON REVIEW OF SELECTED ASPECTS OF CERTAIN ATOMIC ENERGY COMMISSION NEGOTIATED FIXED-PRICE CONTRACTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected aspects of certain Atomic Energy Commission negotiated fixed-price contracts for the procurement of lithium hydroxide monohydrate, dated March 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF RECREATION AND OTHER SELECTED LAND-USE ACTIVITIES, FOREST SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of recreation and other selected land-use activities, Forest Service, Department of Agriculture, dated March 1963 (with an accompanying report); to the Committee on Government Operations.

COMMITMENT OF CERTAIN PERSONS TO ST. ELIZABETHS HOSPITAL, DISTRICT OF COLUMBIA

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting a draft of proposed legislation to extend the provisions of this act of October 11, 1949, 63 Stat. 759, Ch. 672 (32 D.C.C. 417), to authorize the commitment of persons of unsound mind found on Federal reservations in Loudoun County, Va., to St. Elizabeths Hospital in the District of Columbia (with an accompanying paper) to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY HOUSING AND HOME FINANCE AGENCY

A letter from the Administrator, Housing and Home Finance Agency, Washington, D.C., reporting, pursuant to law, on tort claims paid by that Agency, for the calendar year 1962; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Alabama; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION 13

"Be it resolved by the Legislature of the State of Alabama (both houses thereof concurring therein), That this legislature respectfully petition the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

" 'ARTICLE —

" 'SECTION 1. Upon demand of the legislatures of five States, no two of which shall share any common boundary, made within 2 years after the rendition of any judgment of the Supreme Court relating to the rights reserved to the States or to the people by this Constitution, such judgment shall be reviewed by a court composed of the chief justices of the highest courts of the several States to be known as the Court of the Union. The sole issue before the Court of the Union shall be whether the power or jurisdiction sought to be exercised on the part of the United States is a power granted to it under this Constitution.

" 'SEC. 2. Three-fourths of the Justices of the Court of the Union shall constitute a quorum, but it shall require concurrence of a majority of the entire Court to reverse a decision of the Supreme Court. In event of incapacity of the chief justice of the highest court of any State to sit upon the Court of the Union, his place shall be filled by another justice of such State court selected by affirmative vote of a majority of its membership.

" 'SEC. 3. On the first Monday of the third calendar month following the ratification of this amendment, the chief justices of the highest courts of the several States shall convene at the National Capital, at which time the Court of the Union shall be organized and shall adopt rules governing its procedure.

" 'SEC. 4. Decisions of the Court of the Union upon matters within its jurisdiction shall be final and shall not thereafter be overruled by any court and may be changed only by an amendment of this Constitution.

" 'SEC. 5. The Congress shall make provision for the housing of the Court of the Union and the expenses of its operation.

" 'SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission;' be it further

"Resolved, That if Congress shall have proposed an amendment to the Constitution identical with that contained in this resolution prior to January 1, 1965, this application for a convention shall no longer be of any force or effect; and, be it further

"Resolved, That a copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States and to each Member of the Congress from this State.

"(Adopted by the house of representatives March 12, 1963. Concurred in and adopted by the senate March 13, 1963. Approved by the Governor March 18, 1963.)"

A resolution of the Senate of the State of Washington; to the Committee on Interior and Insular Affairs:

"SENATE RESOLUTION 1963 Ex–8

"Whereas continuing construction, projected to cost up to $60 million during the next 5 years, is planned by the U.S. Bureau of Reclamation on additional irrigation blocks of the Columbia Basin project within Franklin County; and

"Whereas previous bond issues for farm-to-market roads in irrigation blocks within the county have been exhausted; and

"Whereas Franklin County is without financial resources or bonding capacity to meet new farm-to-market road costs in these new areas: Now, therefore, be it

"Resolved by the senate, That the Bureau of Reclamation, Department of Interior, be requested to consider the construction of farm-to-market roads as an integral part of the reclamation project for the balance of the Columbia Basin development program, and to accept the financial responsibility therefor; and be it further

"Resolved, That copies of this resolution be transmitted by the secretary of the senate to the Honorable John F. Kennedy, President of the United States, to the President of the U.S. Senate, to the Speaker of the U.S. House of Representatives, to the Secretary of the Interior, Hon. Stewart L. Udall, and to each Member of Congress from the State of Washington.

"WARD BOWDEN,
"Secretary of the Senate."

REPORT ENTITLED "INTERGOVERNMENTAL RELATIONS"—REPORT OF A COMMITTEE (S. REPT. NO. 84)

Mr. MUSKIE. Mr. President, from the Committee on Government Operations, I have the privilege to file with the Senate the report of its Subcommittee on Intergovernmental Relations, pursuant to Senate Resolution 359 of the 87th Congress, 2d session.

In taking up its responsibility of investigating the intergovernmental relations between the United States and the States and municipalities, the subcommittee focused its attention on an ancient American problem. "How to achieve a more perfect Union" has been the oldest and most challenging of all the political questions that have tested the wisdom of American statesmen. Long before the establishment of our Republic and even before the adoption of the Declaration of Independence, Americans were grappling with the problems of intergovernmental relations. Most of the American arguments that were raised between 1763 and 1775 in the heat of the debate with the mother country dealt with the overriding problem of imperial federalism. After the Revolution, the debate continued on this side of the Atlantic. The central question, however, remained one of intergovernmental relations. With the drafting and ratification of the U.S. Constitution, a satisfactory balance was struck between the need for central strength and regulation on the one hand, and the value of local freedom of action on the other. This rejection of the confederal and unitary extremes established federalism as the master principle in this field for all subsequent generations of Americans.

In hammering out the pragmatic decisions that gave rise to our Federal system, the Founding Fathers devised a new constitutional principle that was ultimately recognized as one of America's greatest contributions to the art of government. Since the establishment of our Federal Union, nearly all of our major domestic controversies have taken the form of disputes over the legitimate constitutional position or activities of the States or the National Government. This ever-present attempt to effect a new adjustment stems from the fact that yesterday's equilibrium may have become today's imbalance. Our habit of confining these debates to the framework of the U.S. Constitution highlights an unusual feature of our Federal system. In most other countries, such basic controversies would have produced philosophic tracts, rather than constitu-

tional briefs. I am of the opinion that the history of these conflicts provides us with a valuable perspective with which to view our present Federal-State-local trouble spots.

What is most striking about the adversaries in these historic encounters is the flexibility with which they have adopted a nationalist position at one point in time and the so-called States rights position at another. The great geographic regions of our country, the major political parties—including the Federalists, both conservatives and liberals, and our great economic interest groups—have all failed to pursue consistent policies with respect to Federal-State relationships. Recognition of the remarkable ease with which groups have shifted their positions on this cardinal problem of domestic American politics dramatizes the dynamism of our Federal system and the essential neutrality of the Federal principle.

With reference to contemporary problems, I am confident that there would be less tendency to elevate the difficulties in our Federal-State-local relationships to the level of abstract slogans, if we were more aware that many of labor's centralizing arguments of today were those of business yesterday and that the liberals' States' rights positions of yesterday are the staples of the conservative case today. To put it differently, the pat ideological formulas for a more perfect Union that have been heard of late should be put aside and a sober consideration of the political proposals advanced by the U.S. Advisory Commission on Intergovernmental Relations and the House and Senate Subcommittees on Intergovernmental Relations substituted. In the long run, meaningful action, not political polemics, will strengthen our Federal system.

With this realistic attitude in mind, the Subcommittee on Intergovernmental Relations of the Committee on Government Operations began operations in September 1962, pursuant to Senate Resolution 357, 87th Congress, 2d session. Under this resolution, the subcommittee was authorized to examine, investigate, and make a complete study of intergovernmental relationships between the United States and the States and municipalities, and to review the legislative recommendations of the Advisory Commission on Intergovernmental Relations and other legislative proposals dealing with intergovernmental relations which are referred by the parent committee.

In meeting these broad responsibilities during its first 5 months of existence, the subcommittee addressed itself to the fundamental problem of determining what objectives should be sought in the field of intergovernmental relations that would best reflect the will of the American people. Two basic devices have been employed to identify these objectives. The subcommittee has held 3 days of hearings on general problems of Federal-State-local relations and on the role of the Federal Government in metropolitan areas. Using another technique, it has undertaken the widespread circulation of a questionnaire dealing with major intergovernmental problems. As a separate consideration, the subcommittee, acting for the full committee, has held 3 days of hearings on proposals for the disposition of Ellis Island in New York. Due to the subcommittee's late establishment, action on bills referred to it was impossible.

At this point, permit me to summarize the detailed account of activities contained in this report.

The first hearing of the subcommittee on September 18 was in the form of a panel discussion on intergovernmental relations problems, with participants representing major State and local business organizations. The purpose of this hearing was to get the views of these experts on what could be done to improve our Federal system. This was a preliminary exploration designed to serve as the basis for future extensive hearings, to be carried out in the field during the 88th Congress.

On September 26 the subcommittee held a preliminary hearing on five bills relating to the disposition and future utilization of Ellis Island. These bills were introduced by Senators SPARKMAN, CASE, and WILLIAMS of New Jersey. Testimony was received from these Senators as well as from Senators KEATING and JAVITS, and from representatives of the General Services Administration and the Department of Health, Education, and Welfare. On December 6 and 7 the subcommittee held public hearings in New York City, at which 27 witnesses testified on behalf of 10 different utilization proposals. The subcommittee now hopes to proceed to discuss possible congressional action on the subject.

On December 13 and 14, hearings were held on the role of the Federal Government in metropolitan areas. Witnesses were members of the Advisory Commission on Intergovernmental Relations, representing all levels of government. A thoroughgoing examination was attempted of the complex intergovernmental relationships involved in governing our metropolitan areas. Special attention was given to bills pending before the Senate to improve the metropolitan area planning process. Considerable attention was given to possible steps that might be taken to increase the role of the States in metropolitan area planning and development.

In early fall, an extensive questionnaire was prepared, after consultation with experts. It was distributed to 6,000 State and local officials and other authorities in the field. This questionnaire touched on problems in the areas of grants-in-aid, taxation and revenue, metropolitan areas, and general issues of Federal-State-local involvement. About 300 returns had been received as of January 7, but preliminary evaluations reveal some attitudes and opinions which will be of considerable assistance to the subcommittee in its deliberations on the legislative proposals referred to it. Efforts to increase the returns are being carried out by followup contacts. As a result, over a hundred additional replies have been received. These are being tabulated and analyzed.

In examining intergovernmental relations, the subcommittee has attempted to maintain an objective viewpoint, and the report was written in this spirit. We are confident that the activities carried out by the subcommittee during the first 5 months of its existence will serve as the basis for invigorating our Federal system through legislation and investigations during the 88th Congress.

In order to give my colleagues an opportunity to review the highlights of the subcommittee report, I ask unanimous consent that the report be printed and the press release covering the filing of the report be printed in the RECORD at this point.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Maine; and, without objection, the press release will be printed in the RECORD.

The press release presented by Mr. MUSKIE is as follows:

WASHINGTON, April 1.—A Senate subcommittee put a price tag today of between $11 and $14 billions annually on the combined cost of intergovernmental activities involving Federal, State, and local operations—a crazy quilt of relationships described by the chairman, Senator EDMUND S. MUSKIE, Democrat, of Maine, as "the hidden dimension of government."

Declaring that much of its present shape and impact is wrapped in mystery, the Senate probers nonetheless gave a tentative but emphatic endorsement to the federalist concept as a continuing and effective system of government for the United States.

In its first interim report to the Senate for the full Committee on Government Operations, the new Subcommittee on Intergovernmental Relations pointed out that the "hidden dimension" makes a major impact on all Americans through its involvement in highways, housing, public assistance, hospitals, airports, public health, unemployment compensation, education, agricultural extension, and waste treatment facilities.

"Performing almost as a fourth branch of government in meeting the needs of our people," Senator MUSKIE said, "it nonetheless has no direct electorate, operates from no set perspective, is under no special control, and moves in no particular direction."

"The world of intergovernmental relations is represented by no policymaking body," he continued. "There is no executive, no judiciary, and no legislature." And it is significant to note, he said, that "no governmental authority is prepared to provide any specific data on the subject" although "a substantial amount of our governmental expenditures is involved in these programs every year." Because of its interim nature, the report does not attempt to break down or analyze today's cost estimate of $11 or $14 billion, however.

The subcommittee report—signed by the chairman and its four other members, Senators SAM J. ERVIN, JR., of North Carolina, and HUBERT HUMPHREY, of Minnesota, Democrats, and Senators KARL E. MUNDT, of South Dakota, and CARL T. CURTIS, of Nebraska, Republicans—further defines its continuing mission as the identification of the hidden dimension—"to understand what it is, what its potential is, and in what direction it is moving."

The Senate probers reveal they are concentrating first on four major areas: Federal grants-in-aid which alone, subcommittee figures estimate, will cost over $10 billion in $1964; taxation and revenues; metropolitan areas, and other general problems.

To supplement its relatively limited ability to amass vast detail through public hearings, the Muskie subcommittee will rely on the results of a massive questionnaire composed of more than 100 inquiries which has

now been distributed to 400 State officials, 800 school boards, 1,900 county officials, 1,600 city managers, 900 mayors, and 400 professors and other experts on intergovernmental relations.

By the start of this year, subcommittee staff experts said, over 300 replies had already been elicited and partly tabulated. "The ultimate tabulation, analysis, and evaluation," Senator MUSKIE observed, "will yield a body of competent judgments never heretofore available and reflecting an expertise that will go light-years beyond the opinion sampling possible through the forum of the public hearing alone."

Some hint of things to come as the Muskie subcommittee pursues its mission can be found in its preliminary analysis of answers to the questionnaire already received. These indicate that:

A clear and surprising majority of respondents oppose any further concessions in the direction of making Federal grants-in-aid serve a greater equalizing function than they do now as between low- and high-income States.

There is a general lack of strong criticism of the Hatch Act or the merit system requirements associated with such grants.

There is an unanticipated consistency among State and local recipients indicating basic satisfaction with requirements imposed for aid grants.

There is overwhelming endorsement of periodic review of Federal grants-in-aid by Congress even where termination of some grants might be threatened, a large percentage holding that this procedure would either improve the grants' effectiveness or lead to strengthening revisions in meeting new problems.

There is a strong and continuing interest in efforts to readjust the total tax base among the several levels of government which has shifted in the past half century from a 63-percent aggregate levied by State and local governments to a 70-percent aggregate levied by the Federal Government.

Respondents to date favor by 2 to 1 a Federal tax credit for income levies paid to State and local governments and an equally strong 2-to-1 sentiment for reducing State limitations on the borrowing and taxing powers of local governments to an absolute minimum.

There is overwhelming 5-to-1 endorsement in principle of Federal payments in lieu of taxes for the encroachment of Federal buildings in local jurisdictions and an even greater, 6 to 1, vote urging continuation of the tax-exempt status of State and local debt obligations.

The Muskie subcommittee concluded by promising "to give close attention to all proposals dealing with a proper balance of functions and revenues between levels of government. But, at the same time, we recognize that in the present-day operations of the Federal system a better solution than the strict division of functions or revenue sources might be found in the improvement of cooperative devices designed to enable each level to share in the whole governmental activity involved to the extent that it is capable.

"While we recognize that our efforts to promote cooperation and coordination may not meet with immediate success in every case, nonetheless the subcommittee is optimistic about the future of federalism. It has shown remarkable resiliency as a governmental form despite the centralizing pressures which stem from technological progress as well as from competition from totalitarian systems of government. It is our belief that this system still best serves the needs of our country and will continue to enable the United States to balance the requirements of freedom and security in the most effective way."

REPORT ENTITLED "IMMIGRATION AND NATURALIZATION"—REPORT OF A COMMITTEE (S. REPT. NO. 85)

Mr. EASTLAND, from the Committee on the Judiciary, pursuant to Senate Resolution 263, 87th Congress, 2d session, as amended, submitted a report entitled "Immigration and Naturalization," which was ordered to be printed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

S. 1230. A bill for the relief of Carlton M. Richardson; to the Committee on the Judiciary.

By Mr. SCOTT:

S. 1231. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to a handicapped individual for expenses of transportation to and from work; to allow an additional exemption for a taxpayer, spouse, or dependent who is physically or mentally incapacitated and unable to work; and for other purposes; to the Committee on Finance.

(See the remarks of Mr. SCOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN (by request):

S. 1232. A bill to amend the Federal property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies, and for other purposes;

S. 1233. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in Federal buildings for periods not to exceed 5 years, and for other purposes; and

S. 1234. A bill to amend subsection 506(d) of the Federal Property and Administrative Services Act of 1949, as amended, regarding certification of facts based upon transferred records, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bills, which appear under separate headings.)

By Mr. YOUNG of North Dakota:

S. 1235. A bill to amend title 23 of the United States Code, relating to highways, in order to include street systems in rural communities in the Federal-aid secondary system; to the Committee on Public Works.

By Mr. KEATING:

S. 1236. A bill to amend the Internal Revenue Code of 1954 so as to allow a deduction for tuition and fees paid by an individual in providing an education for himself, his spouse, and his dependents; to the Committee on Finance.

S. 1237. A bill for the relief of Kaloyan D. Kaloyanoff; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1238. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, with respect to the purposes for which surplus personal property may be donated; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 1239. A bill to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes," approved March 1, 1899, as amended; and

S. 1240. A bill to amend the act of June 6, 1892 (27 Stat. 42), as amended; to the Committee on the District of Columbia.

By Mr. ROBERTSON:

S. 1241. A bill to require annual reports instead of quarterly reports under the Reconstruction Finance Corporation Liquidation Act; to the Committee on Banking and Currency.

By Mr. HRUSKA (for himself and Mr. CURTIS):

S. 1242. A bill to reauthorize construction by the Secretary of the Interior of the North Loup division, Nebraska, of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. 1243. A bill to change the name of the Andrew Johnson National Monument, to add certain historic property thereto, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of North Dakota:

S. 1244. A bill to provide for a national cemetery in or adjacent to the International Peace Garden at Dunseith, N. Dak.; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON (for himself and Mrs. SMITH) (by request):

S. 1245. A bill to authorize appropriations to the National Aeronautics and Space Administration for research, development, and operation; construction of facilities; and for other purposes; to the Committee on Aeronautical and Space Sciences.

By Mr. EASTLAND:

S. 1246. A bill to amend chapter 223 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity in connection therewith;

S. 1247. A bill for the relief of Konstantine N. Portaritis; and

S. 1248. A bill for the relief of Demetrios Markos; to the Committee on the Judiciary.

By Mr. HARTKE (for himself and Mr. BAYH):

S. 1249. A bill to protect consumers and others against misbranding, false invoicing, and false advertising of decorative wood and simulated wood products; to the Committee on Commerce.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

TAX DEDUCTIONS AND EXEMPTIONS FOR HANDICAPPED

Mr. SCOTT. Mr. President, I introduce, for appropriate reference, a bill which allows income tax deductions and exemptions to handicapped individuals and to those who support such individuals.

My bill would aid handicapped persons in meeting expenses of transportation to and from work. Many persons who have lost the use of one or both legs, or both arms, or who suffer some other physical disability, can utilize the usual means of public transportation only with undue hardship and danger. Therefore, such persons must pay for special automobiles or other devices to perform their regular jobs. My bill would allow an income tax deduction to cover such expenses.

Secondly, the bill would give an additional tax exemption for a taxpayer who is a handicapped individual himself, or who has a handicapped spouse or dependent. This exemption would be ap-

plicable in cases where the disability prevented the individual from taking care of himself.

Mr. President, the provisions of my bill are not meant to be, in any sense, gratuities. I recognize that most handicapped individuals have faced their problems with courage that should be a source of inspiration and pride for us all. However, the hard luck they have had has its inevitable financial counterpart. By passing this bill Congress would help them to hold positions of responsibility in their communities, and would in some degree, compensate for the extra difficulties involved in pursuing a productive, useful occupation.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1231) to amend the Internal Revenue Code of 1954 to allow a deduction to a handicapped individual for expenses of transportation to and from work; to allow an additional exemption for a taxpayer, spouse, or dependent who is physically or mentally incapacitated and unable to work; and for other purposes, introduced by Mr. SCOTT, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO PROCUREMENT OF PROPERTY AND NONPERSONAL SERVICES BY EXECUTIVE AGENCIES

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949, so as to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies, and for other purposes. It is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for 1963.

According to the Administrator, the primary purpose of the bill is to make the modern code of procurement procedures contained in title III of the Federal Property and Administrative Services Act of 1949 directly applicable by statute to executive agencies of the Government not now so covered.

The bill also proposes certain less significant improvements in procurement. It would exclude the procurement of personal services from the operation of title III, which is essentially a property management code of procedures. It would make certain limitations of section 304 of the Federal Property and Administrative Services Act of 1949—concerning fees of cost-type contracts, contingent fees, examination of records, et cetera—applicable to contracts negotiated by executive agencies under any law, not only those under title III.

I ask unanimous consent that a letter addressed to the President of the Senate from the Administrator of General Services, dated January 30, 1963, which sets forth additional justification and background on the proposed legislation, be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1232) to amend the Federal Property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies, and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., January 30, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed for consideration a draft bill "To amend the Federal Property and Administrative Services Act of 1949, as amended, so as to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies, and for other purposes."

Section 201 of the Federal Property and Administrative Services Act of 1949 includes the provision that the Administrator of General Services shall prescribe for executive agencies policies and methods of procurement and supply of personal property and nonpersonal services. Section 205(c) of that act provides that he shall prescribe regulations he deems necessary to effectuate his functions under the act, and that the head of each executive agency shall issue orders and directives necessary to carry out such regulations.

The primary purpose of this legislative proposal is to make the procurement procedures specified in title III of the Federal Property and Administrative Services Act of 1949 directly applicable to executive agencies. Presently the use of all title III procedures is permissive with most executive agencies under a general delegation of authority to such agencies made by the Administrator of General Services on March 26, 1962 (27 F.R. 3017).

Procedures corresponding to those of title III already apply to procurement by the Army, Navy, Air Force, Coast Guard, and National Aeronautics and Space Administration (10 U.S.C. 2303(a)). Accordingly, section 1 of the draft bill recognizes this existing authority as well as other authority of agencies to procure without regard to all or part of the Federal Property and Administrative Services Act of 1949, as provided, for example, in section 602(d) of that act.

Title III represents a modernized code of procedures for procurement by the Government of property and nonpersonal services. It concerns such matters as advertising, negotiation, small business, antitrust laws, covenant against contingent fees, cost-plus and incentive-type contracting, examination of contractors' books and records, and advance payments. Chapter 137 of title 10 of the United States Code (derived from the Armed Services Procurement Act of 1947) provides a similar version of this code for the Armed Forces and NASA. For agencies which do not use title III procedures pursuant to the delegation of authority made by the Administrator of General Services, or which do not come within chapter 137 of title 10 of the code, the only general legislative procurement-procedure directive is section 3709 of the Revised Statutes. Section 3709 merely requires formal advertising for procurement for the Government, except in certain specified cases. It is narrow and limited in application, and silent as to other important facets of procurement procedure, such as those provided in title III and chapter 137.

Section 302(a) of title III, as originally enacted in 1949, contained a rather circumscribed authorization to the Administrator of General Services to make delegations of title III authority to other executive agencies. This authorization was subject to a narrow construction, and under it but few delegations were made, which were, for the most part, of limited nature. However, Public Law 85-800, approved August 28, 1958, amended section 302(a) by liberalizing the authority of the Administrator to permit the use of title III by executive agencies, in order to promote uniformity and simplification in their procurement procedures. Accordingly, the Administrator on March 10, 1959 (F.R. Mar. 17, 1959, 24 F.R. 1921; reissued Mar. 26, 1962, 27 F.R. 3017, Mar. 30, 1962), issued a delegation of authority to executive agencies to use title III. This delegation of authority does not require executive agencies to use the procurement procedures under title III but leaves this use permissive. On the same date he established the Federal procurement regulations system (24 F.R. 1933), which is now codified in subtitle A of title 41 of the Code of Federal Regulations.

A section-by-section analysis of the draft bill is attached hereto. For the reasons enumerated in this letter and in the attachment, GSA recommends early enactment of the proposed bill. Enactment of this proposed legislation would not affect the budgetary requirements of the General Services Administration or of any other agency.

The Bureau of the Budget has advised that, from the standpoint of the administration's program, there is no objection to the submission of this legislative proposal to the Congress.

Sincerely yours,

BERNARD L. BOUTIN,
Administrator.

ATTACHMENT

The first section of the enclosed bill extends title III of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377, 393; 41 U.S.C. 251 ff.) directly to all executive agencies, except the agencies and activities specified in title 10, United States Code, section 2303(a), and is, therefore, the logical extension of this law to complement what has already been achieved in systematizing Government procurement. It would thus provide a common legislative foundation for uniform procurement practices by agencies under regulations prescribed by the Administrator. Until such controlling regulations are issued by the Administrator on any given aspect, agencies would apply the statutory powers in accordance with their own proper interpretation.

In addition, the section makes clear that the limited exemptions specified in section 602(d) of the 1949 act, or in any other law, are not eliminated by this section, but provides that Revised Statutes section 3709 and 3710, as amended (41 U.S.C. 5 and 8), shall remain applicable to such exempt procurements in the absence of authority to procure without advertising or without regard to said section 3709. Thus, an agency which properly exempts itself from all or any part of the act will not thereby obtain the right to negotiate contracts as distinguished from having to formally advertise although it may do so to the extent that it has negotiating authority under other law.

Section 2(a) of the draft bill deletes from paragraph (4) of section 302(c) of the act the reference to "personal" services and would limit the negotiation authorization of

the paragraph to the procurement of "nonpersonal" services. As more fully explained in connection with section 6 of the draft bill, this amendment would bring the paragraph in line with the policy of Congress in assigning property management responsibilities to the Administrator of General Services.

Section 2(b) of the bill would add "section 304 shall apply to such purchases and contracts" to paragraph (15) of section 302(c). The effect of this addition would be to make the restrictions of section 304, which are applicable to contracts negotiated under paragraphs (1) to (14) of section 302(c) similarly applicable to contracts negotiated under paragraph (15). The restrictions in section 304 pertain to limitations on the use of cost-type contracts, inclusion of a covenant against contingent fees, inclusion of an examination of records clause, etc. The amendment, therefore, would provide uniformity in the requirements applicable to negotiated contracts.

Section 3 of the draft bill would interpolate in section 307(a) of the act a reference to section 205(d) of the act. This is a technical amendment applying only to the Administrator of General Services. It is intended to make clear that his authority to delegate under title III does not include authority to delegate authority to issue policy regulations applicable to executive agencies. Accordingly, the "implementing regulations" of section 302(a) mentioned in section 1 of this draft bill, for example, could be issued only by the Administrator.

By section 4 of the bill, which is purely technical, the second sentence of section 307(b) of the act would be deleted. Presently, this sentence provides that the power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Administration. Deletion of this provision is appropriate because the proposed amendment of section 302(a), contained in section 1 of the draft bill, eliminates the references to delegation now contained in the text of section 302(a).

Section 5 of the bill, amending section 310 of the Federal Property and Administrative Services Act of 1949, is likewise technical. It is ancillary to section 1 of the draft bill amending section 302(a).

The proposed amendment of section 310 provides that neither sections 3709 and 3710 nor section 3735 of the Revised Statutes shall apply to the procurement of property or nonpersonal services made by any executive agency pursuant to title III of the Federal Property and Administrative Services Act. Revised Statutes sections 3709 and 3710 are the General Statutes (dating from 1861 and 1868, respectively) requiring formal advertising for procurement of supplies and services for the Government, except in specified cases. Revised Statutes section 3735, dating from 1868, prohibits executive departments from making contracts for stationery or other supplies for a longer term than 1 year. Sections 3709 and 3735 are already, under the present text of section 310(a), made inapplicable to procurement by GSA and, within the scope of authority delegated by the Administrator, to any other executive agency. Similar provisions apply to the armed services, the Coast Guard, and NASA (10 U.S.C. 2314). The broadened application of title III, in particular, section 303, to executive agencies makes continued applicability of section 3710 superfluous.

The amendment would delete reference to two other statutory provisions now stated by section 310(a) to be inapplicable to procurement under title III; namely, sections 1 and 2 of the act of October 10, 1940, 54 Stat. 1109, as amended (41 U.S.C. 6 and 6a), which set forth certain exemptions from Revised Statutes, section 3709. Said section 1 has been repealed (section 1 (98)-(105), 65 Stat. 705, October 31, 1951). Under the terms of the amendments proposed by the bill, reference to section 2 is no longer necessary.

By virtue of section 310 as proposed for amendment in this bill, exemptions from the requirements of Revised Statutes, section 3709 (and 3710), heretofore given to agencies which are not exempt from the provisions of title III, whether or not these statutory authorizations expressly refer to section 3709 (and 3710), are preserved by constituting these as exceptions from the advertising requirements of sections 302(c) (and 303) of the act pursuant to section 302(c)(15), as proposed for amendment in section 2(b) of this bill.

Under this amendment, however, contracts negotiated under such exemptions are subject to the restrictions of section 304 of the act, made applicable by the proposed amendment to section 302(c)(15) unless exemption from section 304 is available and asserted pursuant to section 602(d) of this act or other law. The application of section 304, however, is considered primarily technical since agencies have generally observed most of the limitations contained therein either as a matter of policy or under GSA or agency regulations.

Section 6 of the bill would amend title III by inserting "nonpersonal" before "services" throughout the title. Section 1 of the bill already proposes such a change in section 302(a) of the act, section 2(a) in section 302(c)(4), and section 6 in section 310. The effect of these changes would be to conform the authority of the Administrator to the policy stated by Congress in section 2 of the act (to provide a system for the procurement and supply of personal property and "nonpersonal services") and to the responsibility vested in the Administrator by section 201(a) of the act (to prescribe policies and methods of procurement and supply of personal property and "nonpersonal services").

With respect to services, it seems clear that the efficiency and economy sought to be accomplished through the regulatory activity of the Administrator can better be found in the field of nonpersonal services, more akin to property management, than in the field of personal services procurement. In connection with section 2(a) of the bill, it should be noted that section 3709 of the Revised Statutes (item 4) will be available to executive agencies for procuring personal services by negotiated methods. The first sentence of section 304(b) of the act is explicitly not affected by section 7 of the bill in order to preserve for personal services contracts the 6 percent maximum fee limitation applicable to contracts for architectural and engineering services.

Section 7 of the draft bill would amend section 602(d) of the act to include references to the Postmaster General's present authority with respect to the leasing and acquisition of real property and the Secretary of the Interior's authority with respect to procurement for program operations under the Bonneville power project. The bill thus recognizes and confirms the special and exceptional procurement authority over these matters which has hitherto been conferred by law (16 U.S.C. 832(a)(f); 39 U.S.C. 2102, 2103(a)(2), 2114). It is understood that administrative and housekeeping items are excluded from the term "program operations" and that, to the extent that these procurement programs would not be impaired by compliance with the Administrator's regulations, such regulations will be observed, as heretofore contemplated by the Congress and the President (H. Rept. 670, 81st Cong., 1st sess., 28; Presidential directive of July 1, 1949, 14 Fed. Reg. 3699).

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICE ACT OF 1949, RELATING TO CONTRACTS FOR INSPECTION, MAINTENANCE, AND REPAIR OF CERTAIN EQUIPMENT

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in Federal buildings for periods not to exceed 5 years, and for other purposes. It is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for 1963.

According to the Administrator, the purpose of this bill is to permit greater economy, safety, and efficiency in the maintenance and operation of Federal buildings by authorizing the General Services Administration to enter into contracts for the inspection, maintenance, and repair of equipment and equipment systems in Federal buildings for periods not to exceed 5 years.

I ask unanimous consent that a letter addressed to the President of the Senate from the Administrator of General Services, dated March 1, 1963, which sets forth additional justification and background on the proposed legislation, be printed in the RECORD at this point, as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1233) to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance, and repair of fixed equipment in Federal buildings for periods not to exceed 5 years, and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 1, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for referral to the appropriate committee is a draft bill prepared by the General Services Administration "To amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the Administrator of General Services to enter into contracts for the inspection, maintenance and repair of fixed equipment in Federal buildings for periods not to exceed 5 years, and for other purposes."

This proposal is a part of the legislative program of the General Services Administration for 1963.

The purpose of this proposed legislation is to permit greater economy, safety and efficiency in the maintenance and operation of Federal buildings by authorizing the General Services Administration to enter into con-

tracts necessary for the inspection, maintenance and repair of fixed equipment and equipment systems in Federal buildings for periods not to exceed 5 years.

The fixed equipment systems intended to be covered by the proposed legislation together with comments justifying enactment of the proposal are set forth in more detail in the attachment hereto.

With respect to the fiscal effects of the enactment of this proposal, it is believed that substantial savings would inure to the benefit of the Government. However, the extent of these savings cannot be measured at this time because long-term contracts for such services have not been consummated in the past.

For the reasons stated above, prompt and favorable consideration of the enclosed draft bill is recommended.

The Bureau of the Budget has advised that, from the standpoint of the administration's program, there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

BERNARD L. BOUTIN,
Administrator.

ATTACHMENT

The fixed equipment systems intended to be covered by this measure include heating, refrigeration, ventilation, air conditioning, electrical, vertical transportation, plumbing, fire protection, watchman, fuel and pneumatic tube systems installed in Federal buildings. Typical items common to these systems are the following: boilers, stokers, and oil burners; compressors, chillers, and cooling towers; fans, airhandlers, and induction units; transformers, motors, generators, high voltage switchgear, and interior distribution wiring; pumps, piping, and water tanks; fire alarms and watchman central recorders; fuel tanks, and lines; blowers and tube stations; and elevators and escalators. Such systems are relatively complex and costly and require continuous inspection, maintenance, and repair (when necessary) of such a character that they can be operated efficiently, with the greatest possible safety, with a minimum of service interruption, for the longest possible time economically justifiable.

A substantial part of the servicing of this equipment is subject to being performed for the Government by contracting with firms which specialize in the various aspects thereof. It would be very advantageous to the Government if more of this servicing could be contracted out. There are several reasons for this.

For one thing, the Government in many localities has been unable to employ, or to retain for any length of time those employed, the necessary number of specially trained skilled craftsmen, and supervisors with know-how, to perform the work because of local labor market conditions.

For another, by contracting for this work the Government is relieved of the added costs and difficulties inherent in purchasing, transporting and storing innumerable spare parts and other supplies which would otherwise be necessary, as well as arranging for the availability of such spare parts and other supplies promptly when and where needed in the many Federal buildings throughout the country, not infrequently on an emergency basis.

For a third, even assuming that the Government could obtain and retain the necessary skilled craftsmen at all locations, the amount of such service work required at any given time for any given Federal building varies to such an extent that it would be most difficult, if not impossible, in many small isolated locations, to schedule the work so that the skilled craftsmen employed by the Government would be fully employed on the one hand, or that, on the other hand, there are sufficient skilled craftsmen available to handle the work on other occasions when unpredictable and urgent heavy demands for their services may arise to service particular buildings.

For these reasons, and because of other problems, some of which are indicated hereinafter, the usual practice of private industry is to enter into long-term contracts with specialty firms for such services.

Under present law, Government contracts for the inspection, maintenance, and repair of such equipment may be entered into for only 1 year. It is believed that authority to contract for a longer period will yield lower costs and more efficient and satisfactory service and operations.

It has been our experience that many contractors do not fully carry out their obligations under 1-year contracts with us for equipment inspection, maintenance and repair, as hidden deficiencies in such maintenance show up later, often after the contract has expired and a new contractor is on the job. Because of their inherently latent nature, it is most difficult to prove whether the deficiencies in performance under such contracts are attributable to one short-term contractor or to another, at least to the extent that the Government can obtain appropriate damages or other relief in a court of law, or before an administrative tribunal, for the failure of a contractor to properly perform such a maintenance contract. As one consequence, the Government has had to bear the cost of remedying such deficiencies. Another consequence has been that our equipment has not been operable, because of shutdown time for repairs, more frequently and for longer periods than it should be. Thus, we have been handicapped in properly protecting the Government's interests.

Another somewhat different type of situation which has confronted us is that, when a yearly contract for the servicing of new equipment is involved, a contractor will bid low and thus be awarded contracts seriatim for 2 or 3 years to service this new equipment. But, when the contractor decides that the time has come when his hidden neglect in maintenance no longer can be concealed, possibly about the third or fourth year of its life, he will refrain from bidding on future contracts. It is considered that authority to enter into contracts to service this equipment for a maximum of 5 years will do much to alleviate this type of situation, as most major defects in maintenance will show up in a 5-year period. Under a 5-year contract, the contractor will have a much greater incentive to perform proper maintenance during the early years of the life of equipment than under a 1-year contract. And, under a 5-year contract, even if a contractor neglects the maintenance during the early years, his neglect can much more easily be charged against him than it could be under a 1-year contract, as such a contractor could not sit back with the thought that the Government would have great difficulty in proving that he, rather than his successor contractor, was responsible therefor.

Another benefit to the Government which would flow from the grant of authority to enter into such 5-year contracts is that, in many cases, lower prices could be obtained under one contract for 5 years as contrasted with those obtainable under five contracts for 1 year each. Under the longer term contract, contractors would be able to arrange for longer range, bigger volume purchasing of supplies and spare parts, and otherwise more economical operations. An important fringe benefit would be the greater time a contractor's personnel would have to become acquainted with the characteristics of the particular pieces of equipment which were being serviced, including the relationship of such equipment to the structural and other characteristics of the buildings in which it is located, or in connection with which it is used, and the detailed nature of the circumstances under which it must be operated. Each new contractor under an annual contract arrangement has to organize for the job and train his employees for the particular tasks required by the contract, thus sacrificing to some extent the efficiency that results from experience in actually performing the work.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO THE CERTIFICATION OF CERTAIN FACTS

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 506(d) of the Federal Property and Administrative Services Act of 1949, as amended, regarding certification of facts based upon transferred records, and for other purposes. It is being introduced at the request of the Administrator of General Services as a part of the legislative program of the General Services Administration for 1963.

The proposed legislation would amend subsection 506(d) of the Federal Property and Administrative Services Act of 1949, as amended, by granting authority to certain Government officials to authorize the Administrator of General Services to certify to facts and make administrative determinations on the basis of information contained in records transferred from their agencies to the General Services Administration. The Administrator of General Services would be authorized to delegate and authorize redelegation of such authority under the provisions of subsection 205(d) of the Federal Property and Administrative Services Act of 1949.

I ask unanimous consent that a letter addressed to the President of the Senate from the Administrator of General Services, dated March 4, 1963, which sets forth additional justification and background on the proposed legislation, be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1234) to amend subsection 506(d) of the Federal Property and Administrative Services Act of 1949, as amended, regarding certification of facts based upon transferred records, and for other purposes, introduced by Mr. McCLELLAN, by request, was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 4, 1963.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To amend subsection 506(d) of the Federal Property and Administrative Services Act of 1949, as

amended, regarding certification of facts based upon transferred records."

This proposal is a part of the legislative program of the General Services Administration for 1963.

The proposed legislation would amend subsection 506(d) of the Federal Property and Administrative Services Act of 1949, as amended, by granting authority to certain Government officials to authorize the Administrator of General Services to certify to facts and make administrative determinations on the basis of information contained in records transferred from their agencies to the General Services Administration. The Administrator of General Services would be authorized to delegate and authorize redelegation of such authority under the provisions of subsection 205(d) of the Federal Property and Administrative Services Act of 1949.

Subsection 506(d) of the Federal Property and Administrative Services Act of 1949 authorizes any official of the Federal Government, who is authorized to certify to facts on the basis of records in his custody, to continue to certify to facts contained in records which have been transferred by him or his predecessors to the General Services Administration. Under the present law the Administrator of General Services has no authority to execute certifications contemplated by this proposal, but can only certify as to the literal terms of the original document.

Since the establishment of Federal records centers, large quantities of Federal records have been transferred to these centers. Federal records centers are established and maintained by General Services Administration under statutory authority (63 Stat. 583; 40 U.S.C. 395). These centers now hold over one-third of all Federal records. The volume of requests for certifications has increased correspondingly with the growth of the Federal records centers. Approximately 3 million inquiries regarding records in the custody of the Administrator of General Services are received at the Federal Records Centers annually. As a consequence, GSA has found it necessary to staff the centers with competent and professionally trained personnel, who have developed a knowledge and sense of responsibility comparable to that of the personnel of the agencies which created the records. In many instances, GSA personnel at the records centers may be more familiar with the records than currently employed personnel of the record-creating agency, since records center personnel are continuously servicing these records.

The present method of processing requests for certifications provides that records center personnel conduct a search for the records, prepare the legal certification for signature, and transmit the documentation to the designated official in the record-creating agency for signature. This procedure is obviously time consuming and cumbersome. The proposed legislation would permit the record-creating agency to delegate the certifying authority to the Administrator of General Services in those instances where it appears that such action is in the best interest of the United States. Enactment of the legislation would in most cases relieve Federal agencies of a routine and perfunctory function and would eliminate unnecessary duplication of effort.

As a matter of practice Federal records center personnel are the only individuals who have the necessary certifying knowledge with regard to facts contained in records of defunct agencies which have been transferred to the Federal records centers.

The enactment of the proposed legislation would not require the expenditures of additional Federal funds. In fact, it would reduce duplication of effort and its enactment should result in economies.

The Bureau of the Budget has advised that, from the standpoint of the administration's program, there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

BERNARD L. BOUTIN,
Administrator.

DEDUCTION OF EDUCATIONAL FEES AND TUITION FROM FEDERAL INCOME TAX

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to enable individuals to deduct educational expenses for themselves or their dependents up to the amount of $300 per person per taxable year.

Mr. President, for many years the Congress has had before it a wide variety of proposed legislation to grant some form of tax relief to those who must bear great cost and sacrifice in getting an education, both their own and for their children. Many such bills are again before the Congress this year. I am adding my own bill for consideration because of my very strong feeling that, from among all the measures advanced, there should be able to be devised a happy formula for tax relief—one that will prove capable of encouraging educational expenditure by lightening the financial sacrifices involved, yet not causing too severe a drain upon Treasury revenues, which is one of the considerations that has been at the source of Treasury Department opposition in the past. It is my belief that the bill I am offering hits upon the right formula.

A sound tax revision program, Mr. President, is a matter of high priority in the 88th Congress; I certainly regard it to be at or near the very top. The prime objective we are, or should be, striving for is a program capable of generating the long-term economic growth essential to our very national survival. The ingredients for growth stimulation are many. But, in my judgment, there is no more important ingredient than assuring that we bring out all the great potential capabilities of our people, especially our young people, for leading a productive and rewarding life.

Our society is changing fast. The skills of yesteryear are the liabilities of today. However, the educational opportunities open today are the touchstone of the more satisfying life of tomorrow. No effort should be spared, no policy device overlooked, to foster the investment in education that will multiply into dividends for our people and our Nation in the years ahead.

The Federal Government should encourage individuals to invest in education by permitting any taxpayer who makes educational outlays for himself, his children, or other dependents, to take a tax deduction for at least part of these expenses. I have limited the amount which may be deducted under the terms of this bill to $300 per individual. Personally, I favor a much larger figure. I recognize that good education does not come cheap, and that these days many indirect and associated costs of education can far exceed tuition and fees alone. However, if larger deductions were permitted, huge revenue losses to the Treasury would ensue. Bills proposing larger deductions, or even tax credits, for educational expenses, that are now pending in the Congress, I believe have little realistic chance of success from this standpoint. Therefore, I have felt compelled to restrict my proposal to a $300 deduction for direct expenditures for tuition and fees to an educational institution.

Any recognized educational institution to which such payments are made would qualify the taxpayer for the deduction. This would include not only colleges and universities, but also private schools, parochial schools, technical training schools, summer schools; in short, almost any place of learning. The deduction would not apply, however, in behalf of persons who receive direct grants from States or communities under State laws designed to evade or circumvent school desegregation.

The bill I am introducing today is identical to my bill, S. 792, in the 87th Congress. It is my firm belief that in this Congress, where tax legislation looms as the most important single issue, there is no excuse for not devoting earnest attention to the legitimate and widespread demand for some sort of relief for educational expenses. It is, at the very least, as important to consider as, for example, the proposed 5-percent floor plan under itemized deductions, which would have not a favorable, but an adverse, effect on educational investment by limiting the present full deductibility of taxpayer contributions to recognized institutions of learning.

Mr. President, I ask unanimous consent that the bill may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1236) to amend the Internal Revenue Code of 1954 so as to allow a deduction for tuition and fees paid by an individual in providing an education for himself, his spouse, and his dependents, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by renumbering section 217 as 218, and by inserting after section 216 the following new section:

"Sec. 217. Tuition and fees paid to educational institutions.

"ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction amounts paid by the taxpayer during the taxable year to an educational institution for tuition and fees for the attendance of the taxpayer, his spouse, or a dependent at such educational institution.

"(b) LIMITATIONS.—

"(1) EACH INDIVIDUAL.—Deduction shall be allowed under subsection (a) for amounts paid during the taxable year for tuition and fees with respect to any one individual only to the extent that such amounts do not exceed $300.

"(2) SPOUSE.—Deduction shall be allowed under subsection (a) for amounts paid during the taxable year for tuition and fees for the spouse of the taxpayer only if—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(c) REDUCTION FOR CERTAIN SCHOLARSHIPS AND FELLOWSHIPS.—Amounts paid for tuition and fees with respect to any individual which (but for this subsection) would be taken into account under subsection (a) shall, under regulations prescribed by the Secretary or his delegate, be reduced by any amounts received by or for such individual during the taxable year as a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income.

"(d) DEFINITIONS.—For purposes of this section—

"(1) DEPENDENT.—The term 'dependent' has the meaning assigned it by section 152(a).

"(2) EDUCATIONAL INSTITUTION.—The term 'educational institution' has the meaning assigned to it by section 151(e)(4).

"(e) EXCEPTIONS.—

"(1) TRADE OR BUSINESS EXPENSES.—Subsection (a) shall not apply to any amount paid which is allowable as a deduction under section 162 (relating to trade or business expenses).

"(2) INDIVIDUALS RECEIVING STATE OR LOCAL FINANCIAL AID TO AVOID DESEGREGATED SCHOOLS.—Subsection (a) shall not apply to any amount paid for any individual with respect to whom any payment is made by a State or local government under a State or local law providing for the payment of grants for children who attend private schools in the area of their residence, or who attend public or private schools away from the area of their residence, if it is determined that the purpose of the State or local law is to provide financial assistance—

"(A) for the education of children in an area where any public school is closed to avoid compliance with the decisions of the courts of the United States with respect to segregation in public schools, or

"(B) for the education of children in an area where public schools are open and have complied with such decisions (whether or not such compliance was pursuant to a specific order of a court of the United States) whose parents or guardians do not wish them to attend a school which is part of a school system in which any school has complied with such decisions.

For purposes of this paragraph, any State or local law granting concessions with respect to State or local taxes for amounts paid by parents or guardians in providing an education for children residing in an area described in subparagraph (A) or (B) shall be treated as a State or local law providing for the payment of grants for such children."

(b) The table of sections for such part is amended by striking out:

"Sec. 217. Cross references."

and inserting in lieu thereof

"Sec. 217. Tuition and fees paid to educational institutions.

"Sec. 218. Cross references."

SEC. 2. Section 62 of the Internal Revenue Code of 1954 (relating to the definition of adjusted gross income) is amended by adding at the end thereof the following new paragraph:

"(7) TUITION AND FEES PAID TO EDUCATIONAL INSTITUTIONS.—The deduction allowed by section 217 (relating to tuition and fees paid to educational institutions)."

SEC. 3. The amendments made by this Act shall apply to taxable years beginning after December 31, 1962.

DONATION OF FEDERAL SURPLUS PROPERTY TO STATE AGENCIES FOR PUBLIC RECREATION, ETC.

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference a bill to permit the donation of surplus Federal personal property to State agencies for public recreation, park, historic monuments, the promotion of fish and wildlife management, and development activities.

This bill amends the Federal Property and Administrative Services Act of 1949 to enable the Federal Government to donate surplus property to State park agencies. The Secretary of the Interior would be charged with implementing this expanded authority.

The thousands of State parks throughout the United States play a vital role in the outdoor recreation activities of our people. These activities are recognized as essential to the health and vitality of the Nation. As was recently noted in the document, "Outdoor Recreation for America":

For at its best, outdoor activity, whether undertaken lightly or with the serious intent of the perfectionist, is essentially a "renewing" experience—a refreshing change from the workaday world.

This is true no matter what an individual actually chooses to do in the outdoors. As long as the activity is freely chosen—because it is refreshing and interesting to do—then it serves the basic function of recreation—the task of re-creating human vitality. Latent energy is tapped, unused powers of the body, mind and spirit are employed, the imagination works on fresh material, and when all these things occur, the individual returns to his work with a sense of renewal.

This use of leisure is important to the health of individuals and to the health of the Nation. The physical vigor of a nation is as much a part of its strength as good education.

In 1960 the States managed approximately 85 percent of the total number of recreation areas in the Nation. However, the Federal Government managed about 84 percent of the number of recreation acres. Further, visitations to State park areas were 254 million as compared to that of 79 million to the national parks. By correlating these figures it can be determined that State park areas have a density of use which is 14 times greater than that in national parks.

One of the major problems, one common to all States, is the matter of adequate financing. If the Congress would make State park agencies eligible to receive Federal surplus personal property, it would be a step in the right direction in allowing these agencies to stretch their already limited budgets. Thus, indirectly, enlarged and improved services could be rendered to the millions of visitors to the State parks throughout this Nation.

Even though several of the Federal executive agencies, by administrative action, have added other recipients than education, health, and civil defense as authorized by Congress, the State park agencies have never been given this privilege. My legislation would correct this situation.

I introduced similar legislation in the 87th Congress—S. 3581. In a letter to the distinguished chairman of the Committee on Government Operations [Mr. MCCLELLAN], the Comptroller General suggested several technical amendments to S. 3581. These suggestions have been incorporated in the present version.

The National Conference on State Parks has fully endorsed this legislation. Representative RICHARD E. LANKFORD has introduced similar legislation in the House of Representatives.

The pressure of the use of State parks continues to grow rapidly. This legislation provides one significant way in which the Federal Government can assist the States in meeting this surging demand for outdoor recreational facilities.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that the bill remain at the desk through April 8 for additional cosponsors.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 1238) to amend the Federal Property and Administrative Services Act of 1949, as amended, with respect to the purposes for which surplus personal property may be donated, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of paragraph (1) of section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)(1)) is amended—

(1) by inserting, immediately after the words "public health,", the words "public recreation, park, or historic monuments, the promotion of fish and wildlife management and development activities,"; and

(2) by striking out "or (4)", and inserting in lieu thereof "(4), or (5)".

(b) The third sentence of paragraph (2) of section 203(j) of such Act is amended by striking out the words "or paragraph (4)", and inserting in lieu thereof a comma and the words "paragraph (4), or paragraph (5)".

(c) Section 203(j) of such Act is further amended as follows:

(1) by redesignating paragraphs (5), (6), and (7) thereof as paragraphs (6), (7), and (8), respectively; and

(2) by inserting after paragraph (4) thereof the following new paragraph:

"(5) Determination whether such surplus property (except surplus property allocated in conformity with paragraph (2) of this subsection) is usable and necessary for purposes of public recreation, park, or historic monuments or fish and wildlife management and development, including research, in any State shall be made by the Secretary of the Interior, who shall allocate such property on the basis of need and utilization for transfer by the Administrator to such State agency for distribution to agencies or instrumentalities of that State or to political subdivisions thereof for use for public recreation, park, or historic monument purposes, or for fish and wildlife management and development purposes. No such property shall be transferred to any State agency until the Secretary of the Interior has received from such State

agency a certification that such property is usable and needed for public recreation, park, or historic monument purposes, or for fish and wildlife management and development purposes, within the State, and until the Secretary has determined that such State agency has conformed to minimum standards of operation prescribed by the Secretary for the disposal of surplus property."

(d) The paragraph redesignated by this section as paragraph (6) of section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, is amended—

(1) by striking out the word "and" where it first appears therein, and inserting in lieu thereof a comma;

(2) by inserting therein, immediately after the words "Federal Civil Defense Administrator", a comma and the words "and the Secretary of the Interior"; and

(3) by striking out the words "or paragraph (4)", and inserting in lieu thereof the words "paragraph (4), or paragraph (5)".

SEC. 2. Subparagraph (2)(C) of section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(k)), is amended by inserting therein, immediately after the words "for the benefit of the public", a comma and the words "or for use for fish and wildlife management and development activities".

SEC. 3. Section 203(n) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(n)), is amended—

(1) by inserting in the first sentence thereof, immediately after the words "the Federal Civil Defense Administrator,", the words "the Secretary of the Interior";

(2) by striking out in the first sentence thereof the words "either such officer", and inserting in lieu thereof the words "any such officer";

(3) by striking out in the second sentence thereof the words "or the Director, Office of Civil and Defense Mobilization," and inserting in lieu thereof the words "the Director, Office of Civil and Defense Mobilization, or the Secretary of the Interior,";

(4) by striking out in the third sentence thereof the words "purposes of education, public health, or civil defense, or for research for any such purpose, pursuant to subsection (j)(3) or (j)(4) of this section,", and inserting in lieu thereof the words "any purpose specified in paragraph (3), (4), or (5) of subsection (j)"; and

(5) by striking out the words "the Secretary or the Director" wherever they appear in the third and fourth sentences thereof, and inserting in lieu thereof the words "the Secretary or Director concerned".

CONSUMER PROTECTION IS PROPOSED FOR HARDWOOD LABELING

Mr. HARTKE. Mr. President, I introduce, for appropriate reference, a bill to protect consumers of hardwood or simulated hardwood products.

On April 27, 1961, in the 87th Congress, 1st session, Mr. President, I introduced this bill as S. 1724. Hearings were held before the Senate Committee on Commerce August 10, 11, and 13, 1962, during the 2d session of the 87th Congress. At these hearings it was noted by the Federal Trade Commission that certain wording, phrasing, and other changes should be made. The bill, which I introduce today, I am pleased to state, has incorporated those suggestions which were made by the Federal Trade Commission.

Mr. President, I originally introduced this bill because of many complaints I received regarding products, purported to be of wood, such as furniture, radio and television cabinets, and other cabinets, or decorative articles, which in reality were composed of composition material, plastic, wood fiber, or even metal. This situation still exists today.

These articles had been finished to look in color, grain, and beauty like decorative wood.

It is my understanding that the Federal Trade Commission, over the years, has also received complaints alleging deception in the sale of products finished to imitate decorative hardwood.

This bill, I hasten to point out, merely requires that such products be labeled to indicate the true common name of the tree that produced the wood and what finish is being imitated.

Mr. President, because other Senators have indicated interest in this proposed legislation, I ask unanimous consent that at the close of my remarks the bill be printed; and I also ask unanimous consent that it lie on the table until Thursday, April 11, 1963, so that other Members of the Senate may join in sponsoring it; and I ask that the name of my colleague, the junior Senator from Indiana [Mr. BAYH] be included as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD and will lie on the desk, as requested by the Senator from Indiana.

The bill (S. 1249) to protect consumers and others against misbranding, false invoicing, and false advertising of decorative wood and simulated wood products, introduced by Mr. HARTKE (for himself and Mr. BAYH), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Decorative Wood and Simulated Wood Products Labeling Act."

DEFINITIONS

SEC. 2. As used in this Act—

(a) the term "person" means an individual, partnership, corporation association, business trust, or any organized group of any of the foregoing;

(b) the term "wood" means any timber product retaining its natural growth structure;

(c) the term "simulated wood product" means any product or part of a product made wholly or substantially of any material other than wood, including, but not restricted to, wood fiber, glass, vegetable fiber, plaster, plastic, metal, paper, film, and molded or extruded material, which in its finished, treated or processed state has the appearance or is in imitation of, or purports to be wood; and such term also includes products made of wood, the exposed surface of which has been printed or otherwise treated to provide the appearance of a figure pattern other than the natural growth structure;

(d) the term "decorative wood" means any wood or wood product whether in the form of veneer, plywood, flooring, lumber, manufactured product, or other form, the face of which has been varnished, shellacked, lacquered, stained, or otherwise finished or processed to display the natural wood grain, figure, or growth character;

(e) the term "exposed surface" or "exposed parts", as applied to a decorative wood or simulated wood product, means those parts of the product which are exposed to view when the product is installed or placed in normal position;

(f) the term "label" or "labeling" means any label, stamp, tag, mark, brand or other identification affixed to a decorative wood or simulated wood product or to the immediate packaging of such product;

(g) the term "invoice" means a written account, memorandum, list, catalog, sales slip, or invoice, which is issued in connection with any commercial dealing or transaction in decorative wood or simulated wood product transported or delivered to a purchaser, consignee, factor, bailee, correspondent, or agent;

(h) the term "Federal Trade Commission Act" means the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914, as amended; and

(i) the term "commerce" means commerce between any State, territory, or possession of the United States, Puerto Rico, or the District of Columbia, and any place outside thereof; or between points within the same State, territory, possession, Puerto Rico, or the District of Columbia, but through any place outside thereof; or within any territory or possession, or Puerto Rico or the District of Columbia.

MISBRANDING, FALSE ADVERTISING, OR FALSE INVOICING DECLARED UNLAWFUL

SEC. 3. (a) The introduction or manufacture for introduction into commerce, or the sale, advertising, promoting or offering for sale in commerce, or the transportation or distribution in commerce, of any decorative wood or simulated wood product which is misbranded, or falsely or deceptively advertised, or falsely or deceptively invoiced (excepting sales slips or invoices issued by retail stores), within the meaning of this Act or the rules and regulations prescribed under section 8, is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(b) The sale, advertising, offering for sale, transportation, or distribution, of any decorative wood or simulated wood product which has been shipped and received in commerce, and which is misbranded or falsely or deceptively advertised, or falsely or deceptively invoiced (excepting sales slips or invoices issued by retail stores), within the meaning of this Act or the rules and regulations prescribed under section 8, is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(c) Except as provided in subsection (d) of this section, it shall be unlawful to remove or mutilate, or cause or participate in the removal or mutilation of, prior to the time any decorative wood or simulated wood product is sold and thereafter delivered to the ultimate purchasing consumer, any label required by this Act to be affixed to such decorative wood or simulated wood product, and any person violating this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce under the Federal Trade Commission Act.

(d) Any person introducing, selling, advertising, or offering for sale, in commerce, or processing for commerce, a decorative wood or simulated wood product, or any person selling, advertising, offering for sale, or processing a decorative wood or simulated wood product which has been shipped and received in commerce, may substitute for the

label affixed to such product pursuant to section 4 of this Act, a label conforming to the requirements of such section. Any person substituting a label shall keep such records as will show the information set forth on the label that he removed and the name or names of the person or persons from whom such decorative wood or simulated wood product was received, and shall preserve such records for at least three years. Neglect or refusal to maintain and preserve such records is unlawful, and any person who shall fail to maintain and preserve such records shall forfeit to the United States the sum of $100 for each day of such failure, which shall accrue to the United States and be recoverable by a civil action. Any person substituting a label who shall fail to keep and preserve such records, or who shall by such substitution misbrand a decorative wood or simulated wood product, shall be guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce under the Federal Trade Commission Act.

(e) Subsections (a) and (b) of this section shall not apply to any common carrier, contract carrier, or freight forwarder with respect to a decorative wood or simulated wood product handled and shipped, transported, or delivered by it in commerce in the ordinary course of business.

MISBRANDING DECORATIVE WOOD AND SIMULATED WOOD PRODUCTS

SEC. 4. For the purposes of this Act, a decorative wood or simulated wood product shall be deemed to be misbranded—

(1) if it is falsely or deceptively labeled or otherwise falsely or deceptively identified, or if the label contains any form of misrepresentation or deception, directly or by implication, with respect to such decorative wood or simulated wood product, or is misleading in any respect; or

(2) if there is not affixed to such decorative wood or simulated wood product a label (flooring and moulding may be labeled by the bundle or package) showing in words and figures plainly legible the labeling information required by this Act, including the true common name of the wood actually contained in the exposed surfaces of the decorative wood product, or the true name or composition of the simulated wood product comprising the exposed surfaces of the product, provided that where the exposed surface is made of veneer, laminate or plywood construction, such exposed surface construction shall be clearly indicated by such additional words showing that it is veneer, laminate or of plywood construction, as the case may be, and provided that where the exposed surface has been printed or otherwise treated to reveal an artificial wood grain or figure pattern this fact shall be clearly indicated; or

(3) if the label contains the name or names of any wood or purported wood not contained in the product, unless accompanied by language clearly indicating that the figure pattern is simulated; or

(4) if the label does not show the name or the identification number issued and registered by the Commission of the person or persons who manufactured such decorative wood or simulated wood product.

FALSE ADVERTISING AND INVOICING OF DECORATIVE WOOD AND SIMULATED WOOD PRODUCTS

SEC. 5. (a) For the purposes of this Act, a decorative wood or simulated wood product shall be deemed to be falsely or deceptively advertised if any advertisement, representation, public announcement, or notice which is intended to or does aid, promote, or assist, directly or indirectly in the sale or offering for sale or marketing of such decorative wood or simulated wood product (1) shows wood species names not actually present on the exposed surface of the decorative wood or simulated wood product, unless accompanied by language clearly indicating that the figure pattern is simulated, or (2) indicates either veneer or solid construction where such is not the case, or (3) shows other than the true name or names and true composition of the exposed parts of the simulated wood product, or (4) is false, deceptive or misleading in any respect.

(b) For the purposes of this Act, a decorative wood or simulated wood product shall be deemed to be falsely or deceptively invoiced (excepting sales slips or invoices issued by retail stores) if no invoice is issued, or if issued, such invoice (1) does not show the true name or names of the wood forming the exposed surface of the wood product, or (2) does not reveal that the exposed surfaces of such product are of veneer, laminate or plywood construction, or (3) does not reveal the true name or composition of the simulated wood product forming the exposed parts of the product or article, or (4) does not reveal the presence of any printed or otherwise processed artificial wood grain or figure pattern, or (5) is false, deceptive or misleading in any respect.

EXCLUSION OF MISBRANDED OR FALSELY INVOICED DECORATIVE WOOD AND SIMULATED WOOD PRODUCTS

SEC. 6. (a) Decorative wood and simulated wood products imported into the United States shall be labeled so as not to be misbranded within the meaning of section 4 of this Act; and all invoices of such products required under title IV of the Tariff Act of 1930, as amended, shall set forth, in addition to the matters therein specified, information conforming with the requirements of section 5(b) of this Act, which information shall be included in the invoices prior to their certification under the Tariff Act of 1930, as amended.

(b) The falsification of, or failure to set forth, said information in said invoices, or the falsification or perjury of the consignee's declaration provided for in the Tariff Act of 1930, as amended, insofar as it relates to said information, shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act; and any person who falsifies, or fails to set forth, said information in said invoices, or who falsifies or perjures said consignee's declaration insofar as it relates to said information, may thenceforth be prohibited by the Federal Trade Commission from importing, or participating in the importation of, any decorative wood or simulated wood product into the United States except upon filing bond with the Secretary of the Treasury in a sum double the value of said product, and any duty thereon, conditioned upon compliance with the provisions of this section.

(c) A verified statement from the manufacturer, producer of, or dealer in, imported decorative wood or simulated wood products showing information required under the provisions of this Act may be required under regulations prescribed by the Secretary of the Treasury.

DECORATIVE WOOD NAME GUIDE

SEC. 7. (a) The Federal Trade Commission shall, within nine months from the date of enactment of this Act, after holding public hearings, issue a register setting forth the names of decorative woods, which register shall be known as the Decorative Wood Name Guide. The names used shall be the true English names for the respective wood, except that in the absence of a true English name for a wood or where a wood has for at least twenty-five years been known generically in the market of the United States by a commercial or trade name, the Commission may use such name when deemed by the Commission to properly identify the wood in the United States, with or without qualifying or explanatory terms.

(b) The Commission may, from time to time, after holding public hearings, add to or delete from such register the name or names of any wood.

(c) When the name of any wood connotes a geographical origin or significance other than the true country or place of origin, the Commission may require that whenever the name is used such qualifying or explanatory words or statements as it may deem necessary be also used in order to prevent the likelihood of confusion or deception.

(d) The name or names of the decorative wood used in the label required under section 4 of this Act shall be such as are set forth in the Decorative Wood Name Guide provided for under this section.

ENFORCEMENT OF THE ACT

SEC. 8. (a)(1) Except as otherwise specifically provided or required herein, the Act shall be enforced by the Federal Trade Commission under rules, regulations, and procedure provided for pursuant to the Federal Trade Commission Act.

(2) The Commission is authorized and directed to prevent any person from violating the provisions of sections 3, 4, 5, and 10(b) of this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act; and any such person violating any provision of said sections of this Act shall be subject to the penalties and entitled to the privileges and immunities provided in said Federal Trade Commission Act as though the applicable terms and provisions of the said Federal Trade Commission Act were incorporated into and made a part of this Act.

(b) The Commission is authorized and directed to prescribe rules and regulations governing the manner and form of disclosing information required by this Act, and such further rules and regulations as may be necessary and proper for purposes of administration and enforcement of this Act. The Commission is authorized to exclude from the provisions of this Act any specific types or kinds of decorative wood or simulated wood products because of their being of such small size or inconsequential character as not of public interest or not necessary to be covered for protection of the purchasing public.

(c) The Commission is authorized (1) to cause inspections, analyses, tests, and examinations to be made of any decorative wood products or of any simulated wood products subject to this Act; and (2) to cooperate, on matters related to the purpose of this Act, with any department or agency of the Government; with any State, territory, Puerto Rico, or possession, or with the District of Columbia; or with any department, agency, or political subdivision thereof; or with any person.

(d)(1) Every manufacturer or importer of decorative wood products or simulated wood products shall maintain proper records showing the information required by this Act with respect to all decorative wood products and simulated wood products handled by him, and shall preserve such records for at least three years.

(2) The neglect or refusal to maintain and preserve such records is unlawful, and any such manufacturer or importer who neglects or refuses to maintain and preserve such records shall forfeit to the United States the sum of $100 for each day of such failure which shall accrue to the United States and be recoverable by a civil action.

CONDEMNATION AND INJUNCTION PROCEEDINGS

SEC. 9. (a)(1) Any decorative wood or simulated wood product shall be liable to be proceeded against in the district court of the United States for the district in which found, and to be seized for confiscation by

process of libel for condemnation, if the Federal Trade Commission has reason to believe such decorative wood or simulated wood product is being manufactured or held for shipment or shipped, or held for sale or exchange after shipment, in commerce, in violation of the provisions of this Act, and if after notice from the Commission the provisions of this Act with respect to such decorative wood or simulated wood product are not shown to be complied with. Proceedings in such libel cases shall conform as nearly as may be to suite in rem in admiralty, and may be brought by the Commission.

(2) If such decorative wood or simulated wood product is condemned by the court, it shall be disposed of, in the discretion of the court, by destruction, by sale, by delivery to the owner or claimant thereof upon payment of legal costs and charges and upon execution of good and sufficient bond to the effect that such product will not be disposed of until properly marked, advertised, and invoiced, as required under the provisions of this Act, or by such charitable disposition as the court may deem proper. If such decorative wood or simulated wood product is disposed of by sale, the proceeds, less legal costs and charges, shall be paid into the Treasury of the United States as miscellaneous receipts.

(b) Whenever the Commission has reason to believe that—

(1) any person is violating, or is about to violate, section 3, 4, 5, or 10(b) of this Act; and

(2) it would be in the public interest to enjoin such violation until complaint is issued by the Commission under the Federal Trade Commission Act and such complaint dismissed by the Commission or set aside by the court on review, or until order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act, the Commission may bring suit in the district court of the United States for the district in which such person resides or transacts business, to enjoin such violation, and upon proper showing a temporary injunction or restraining order shall be granted without bond.

GUARANTY

SEC. 10. (a) No person shall be guilty under section 3 if he establishes a guaranty received in good faith signed by and containing the name and address of the person residing in the United States by whom the decorative wood or simulated wood product guaranteed was manufactured or by whom it was imported, that said product is not misbranded or that it is not falsely advertised or invoiced under the provisions of this Act. Such guaranty shall be either (1) a separate guaranty specifically designating the decorative wood or simulated wood product guaranteed, in which case it may be on the invoice or other paper relating to such decorative wood or simulated wood product; or (2) a continuing guaranty filed with the Commission applicable to any decorative wood or simulated wood product manufactured or imported by said guarantor, in such form as the Commission by rules and regulations may prescribe.

(b) It shall be unlawful for any person to furnish with respect to any decorative wood or simulated wood product, a false or deceptive guaranty (except a person relying upon a guaranty to the same effect received in good faith signed by and containing the name and address of the person residing in the United States by whom the decorative wood or simulated wood product guaranteed was manufactured or by whom it was imported) with reason to believe the decorative wood or simulated wood product falsely or deceptively guaranteed may be introduced, sold, transported, or distributed in commerce, and any person who violates the provisions of this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce, within the meaning of the Federal Trade Commission Act.

CRIMINAL PENALTY

SEC. 11. (a) Any person who wilfully violates section 3, 4, 5, or 10(b) of this Act shall be guilty of a misdemeanor and upon conviction shall be fined not more than $5,000, or be imprisoned not more than one year, or both, in the discretion of the court.

(b) Whenever the Commission has reason to believe any person is guilty of a misdemeanor under this section, it shall certify all pertinent facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

APPLICATION OF EXISTING LAWS

SEC. 12. The provisions of this Act shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other Act of Congress.

SEPARABILITY OF PROVISIONS

SEC. 13. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to any other person or circumstance shall not be affected thereby.

EFFECTIVE DATE

SEC. 14. This Act shall take effect one year after the date of its enactment.

MASS TRANSPORTATION ACT OF 1963—AMENDMENTS

Mr. TOWER (for himself and Mr. BENNETT) submitted amendments, intended to be proposed by them jointly, to the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. LAUSCHE submitted an amendment, intended to be proposed by him, to Senate bill 6, supra, which was ordered to lie on the table and to be printed.

Mr. LAUSCHE submitted an amendment, in the nature of a substitute, intended to be proposed by him, to Senate bill 6, supra, which was ordered to lie on the table and to be printed.

Mr. GOLDWATER submitted an amendment, intended to be proposed by him, to Senate bill 6, supra, which was ordered to lie on the table and to be printed.

Mr. GOLDWATER submitted an amendment, intended to be proposed by him, to the amendment reported by Mr. MAGNUSON from the Committee on Commerce, in the nature of a substitute, to Senate bill 6, supra, which was ordered to lie on the table and to be printed.

Mr. SCOTT submitted an amendment, intended to be proposed by him, to Senate bill 6, supra, which was ordered to lie on the table and to be printed.

EXTENSION OF TIME FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE REPORTS

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Government Operations may extend the time for filing reports concerning last year's work to June 30, 1963.

There are three reports which involve, first, the Department of Agriculture handling of the pooled cotton allotments of Billie Sol Estes; second, the pyramiding of profits and costs in the missile procurement program; and third, the American Guild of Variety Artists. These reports have been drafted and will be submitted for study by the committee members in the immediate future.

On February 6 the Senate granted an extention of the time for filing these reports until April 1. It was believed then that this would be sufficient time to complete work on these reports. Since then, it has developed that additional time will be necessary in order that adequate study may be given by the committee members. Accordingly, I ask for this additional extention.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I might be permitted to join as a cosponsor of the bill S. 829, introduced by the Senator from Maine [Mr. MUSKIE] to amend the Agricultural Adjustment Act of 1938, to provide for marketing quotas on Irish potatoes through the establishment of acreage allotments. I feel that this bill represents a constructive approach to the problems faced by our potato producers, and I would urge most favorable action on the bill by the appropriate committee, namely, the Committee on Agriculture and Forestry, and by the Congress.

The VICE PRESIDENT. Without objection, it is so ordered.

ESTABLISHMENT OF A FOREIGN SERVICE ACADEMY—ADDITIONAL COSPONSOR OF BILL

Mr. SYMINGTON. Mr. President, at its next printing, I ask unanimous consent that the name of the junior Senator from Nevada [Mr. CANNON] be added as a cosponsor of Senate bill 865, to establish a Foreign Service Academy.

The VICE PRESIDENT. Without objection, it is so ordered.

REPEAL OF SECTION 13A OF INTERSTATE COMMERCE ACT—ADDITIONAL COSPONSOR OF BILL

Mr. HARTKE. Mr. President, at its next printing, I ask unanimous consent that the name of the Senator from Georgia [Mr. TALMADGE] be added as a cosponsor of the bill S. 1161, to repeal section 13a of the Interstate Commerce Act.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF BILL

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bill:

Authority of March 25, 1963:

S. 1183. A bill to amend the Federal Water Pollution Control Act to protect the navigable waters of the United States from further pollution by requiring that synthetic detergents manufactured for use in the United States or imported for use in the United States comply with certain standards of decomposability; Mr. DOUGLAS, Mr. LONG of Missouri, and Mr. MAGNUSON.

EXTENSION OF TIME FOR CONCURRENT RESOLUTION TO LIE ON THE DESK

Mr. COOPER. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 34, to express the sense of Congress that the President appoint a committee to evaluate our foreign aid program in each country and report its finding to the President and Congress remain at the desk until April 5 for additional cosponsors. The concurrent resolution was originally ordered to lie on the desk until the close of business today.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF HEARINGS ON AREA REDEVELOPMENT LEGISLATION BY THE SUBCOMMITTEE ON PRODUCTION AND STABILIZATION OF THE SENATE COMMITTEE ON BANKING AND CURRENCY

Mr. DOUGLAS. Mr. President, as chairman of the Subcommittee on Production and Stabilization of the Committee on Banking and Currency, I wish to announce the beginning of hearings on S. 1163, a bill to amend certain provisions of the Area Redevelopment Act.

The hearings will begin at 2 p.m. Monday, April 22, 1963, in room 5302, New Senate Office Building and will continue on the following days of that week in the morning.

All persons who wish to appear and testify on this bill are requested to notify Mr. Jonathan Lindley, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, telephone Capitol 4-3121, extension 3921.

NOTICE OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nominations of George C. McGhee, of Texas, to be Ambassador to the Federal Republic of Germany, and Roger Hilsman, Jr., of Maryland, to be an Assistant Secretary of State.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

PRESS RELEASE OF COMMITTEE ON FOREIGN RELATIONS—NOTICE OF HEARING

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to insert at this point in the RECORD a press release issued March 30 by the Committee on Foreign Relations announcing that on April 4 and 5 public hearings would begin on S. 865, a bill to establish a National Academy of Foreign Affairs.

Any individual or organization wishing to present testimony on S. 865 should contact the committee clerk, Mr. Darrell St. Claire, room S-116, the Capitol.

There being no objection, the press release was ordered to be printed in the RECORD as follows:

U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS

On April 4 and 5 the Committee on Foreign Relations plans to begin public hearings on S. 865, an administration bill to provide for the establishment of a National Academy of Foreign Affairs, which was introduced by Senator SYMINGTON on February 20, 1963.

Cosponsors of S. 865 are Senators SALTONSTALL, BAYH, BOGGS, BYRD of West Virginia, CLARK, ENGLE, GRUENING, HUMPHREY, INOUYE, LONG of Missouri, MANSFIELD, MCGEE, MOSS, NEUBERGER, RANDOLPH, RIBICOFF, SMATHERS, WILLIAMS of New Jersey, YARBOROUGH, MONRONEY, FONG, HART, MCINTYRE, BREWSTER, and JAVITS.

Any individual or organization wishing to present testimony on S. 865 should contact without delay the chief clerk of the Committee on Foreign Relations, Mr. Darrell St. Claire, room S-116, the Capitol.

The hearings will be held in room 4221, New Senate Office Building, and will begin at 10:30 a.m.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Louis M. Janelle, of New Hampshire, to be U.S. attorney, district of New Hampshire, term of 4 years, vice William H. Craig, Jr., resigned.

Paul G. April, of New Hampshire, to be U.S. marshal, district of New Hampshire, term of 4 years, vice Royal Dion, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, April 8, 1963, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

CAPT. EDWARD J. DWIGHT, JR., FIRST NEGRO SELECTED AS TRAINEE FOR MANNED SPACE PROGRAM

Mr. CARLSON. Mr. President, we are proud that the first Negro to be selected as a trainee for the U.S. manned space program is from the great State of Kansas.

It is particularly pleasing in view of Kansas' early history. The issue in the Kansas statehood controversy was whether it was to be admitted as a free State or a slave State. For several years the issue was bitterly fought; and, in the final analysis, the people of Kansas, with their usual good judgment, insisted on human rights and human freedoms. As a result of this, our motto carries the Latin words "Ad Astra Per Aspera," which means "To the Stars Through Difficulty."

The Kansan selected as trainee for the manned space flight is Capt. Edward J. Dwight, Jr., of Kansas City, Kans. His parents are Mr. and Mrs. Edward J. Dwight, of Kansas City, Kans. Captain Dwight is stationed at Edwards Air Force Base, Calif., is married, and has two children.

Captain Dwight received his education in the Kansas City, Kans., grade school, high school, and the Kansas City Junior College. He joined the Air Force in August 1953, and in 1955 was commissioned as a pilot at Williams Air Force Base, Chandler, Ariz. It was at this base he completed his college work—partly through night classes—at Arizona State University.

He served 2 years in Japan as a B-57 bomber pilot, followed by about 3½ years at Travis Air Force Base, Fairfield, Calif. Some months ago he was assigned to the test pilot school at Edwards Air Force Base.

Upon being notified of his selection as a trainee for the manned space program, Captain Dwight stated that he hoped some day to become an astronaut.

I ask unanimous consent that a biographical sketch of Capt. Edward J. Dwight, Jr., be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Full name: Capt. Edward J. Dwight, Jr.

Claim to fame: First Negro selected as trainee for manned space flight.

Home: Edwards Air Force Base, Calif.

Birthday: 1934.

Education: Kansas City Junior College, graduated with honors in track in 1953. Earlier was track and football star at Ward High School in Kansas City, Kans. After joining Air Force and winning his wings at Williams Air Force Base, Ariz., in 1955, completed college training through night classes at Arizona State University in Tempe. Eight months ago, assigned to test pilot school at Edwards Air Force Base.

Jobs: B-57 bomber pilot.

Family: Parents, Mr. and Mrs. Edward J. Dwight, of Kansas City, Kans. Wife, Sue, and two children, Tina Sheree, 7 and Edward III, 5. Four sisters, one of whom is Sister Martin Mary, first Negro woman to become a Sister of Charity.

Hobbies: Besides flying, he is active in both the Knights of Columbus and the Holy Name Society. He is a devout Catholic and his wife is a convert.

Ambition: To become an astronaut.

THE CLAY COMMITTEE REPORT

Mr. CHURCH. Mr. President, the recent report to the President by the Committee To Strengthen the Security of the Free World, the Lucius D. Clay Committee, has lately been the subject of much discussion. I think the Clay report lays down guidelines both for improving and

for reducing the cost of our foreign aid program.

After a careful study, the Committee has indicated certain areas of our foreign aid program which should either be reduced or be terminated. I certainly endorse many of the Committee's observations, and I am hopeful that Congress will carefully consider its recommendations. I am gratified to find that one of these recommendations conforms with my efforts, during the last 2 years, to terminate further military assistance, on a grant basis, to the prosperous nations of Western Europe. The Committee says:

> Elsewhere in Europe, except in Greece and Turkey, there is no apparent need for further military or economic assistance other than for the fulfillment of existing commitments.

Mr. President, I hope Congress will support an amendment, which I intend to offer again this year to the Foreign Assistance Act, which would accomplish this purpose.

I have supported the foreign aid program as indispensable to our national survival in this precarious world. But the American people are becoming increasingly impatient with its shortcomings. As I said 2 years ago on the floor of the Senate:

> Their resentment today can lead to reaction tomorrow so widespread as to fill these Halls, and the White House as well, with men who would sever our world commitments and would withdraw the United States into a lingering, lethal, and last isolation.

The objective of the Clay report is to work such improvement in our foreign aid program as to assure its continuing public support.

In closing, I want to emphasize that I think the Clay report gives the foreign aid program—and the present administrators—a basic vote of confidence. Max Freedman's article in the Washington Post of March 25, 1963, analyzed the report, and the author carefully pointed out that the recommendations made were offered as an attempt to strengthen foreign aid, by establishing certain new standards, without hampering many established principles essential to an effective foreign aid program. Roscoe Drummond, writing for the same newspaper on March 28, 1963, also made a careful analysis of the real meaning and impact of the Clay report. Mr. Drummond, like Mr. Freedman, wrote that what the Committee really wants to accomplish is "an assistance program of reduced scope and thereby more concentrated where it will do the most good."

I think the articles by both of these writers help to correctly intrepret the Clay report. Therefore, I ask unanimous consent that both articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 25, 1963]

FOREIGN AID REPORT

(By Max Freedman)

In essence, the Committee headed by Gen. Lucius D. Clay has given the foreign aid program a qualified vote of confidence. No doubt some critics will try to use some passages in the report to discredit the whole program, as George Meany has suggested in his interesting but largely irrelevant dissent; but they cannot succeed unless the Committee's analysis and recommendations are ignored or twisted. The Committee has tried to save and strengthen the program by setting up new standards without doing violence to many established principles which have guided foreign aid.

The Committee deserves praise for recognizing that some objections brought against foreign aid, in Congress and outside, are neither spiteful nor stupid but are wise and necessary. There is no concession, of course, to the extremists who deliver a root-and-branch attack on foreign aid as a major part of American policy.

But the Committee expresses the genuine public concern over the details of the program and the way in which aid has been administered in some countries. There will be particular agreement with the passages which suggest that far greater emphasis be given to the capacity of recipient governments to carry out reforms as the price of aid.

Equally welcome is the forthright recommendation that the United States should cancel or reduce aid without fear that such a change of policy would drive these nations into neutralism or communism.

This increased emphasis on American freedom of action, in areas where many governments have come to look upon American help almost as a matter of right, has already been foreshadowed in statements by the administration. But the Committee has made both explicit and challenging what has often been muffled in official declarations.

Like President Kennedy, but again with more urgent emphasis, the Committee has called upon the industrial nations of the Western World to carry a larger share of the burden of aid. Particularly important is its recommendation that these nations should pool some of their aid programs and administer them under international auspices. For this purpose a new agency might be created with membership limited to free nations so that no Communist veto or opposition could cut across agreed decisions.

This kind of economic purpose could give new meaning and direction to the NATO countries which, with nations like Japan and Australia, would inevitably sustain the heaviest commitment. It certainly is a suggestion worth exploring.

Very controversial but by no means unconvincing for that reason is the recommendation that the United States should limit itself to a marginal role in providing aid for Africa, leaving the bulk of the work to be done by Britain and France.

It is this part of the report which goes beyond the technical evaluation of foreign aid and touches basic issues in foreign policy. There is no evidence that the views of the State Department were given careful weight before this recommendation was advanced. At all events, the Department should have the chance to present its case in the context of the completed report before any new departure in African policy is authorized.

The members of the Committee refused to be drawn into a debate over whether India or Pakistan deserves the higher American priority. They wisely recognized that both are essential to Western security and therefore should be supported not only by the United States but by other governments opposed to Communist China's expansion in Asia.

The Committee might have spoken in even stronger terms in asking for a delayed judgment on the success of the Alliance for Progress. It is utterly unreasonable to expect swift triumphs in Latin America when the task of reform and progess has been attempted after years of wasteful neglect.

Within the restraints of courtesy and responsibility the Committee has spoken very plainly, even at the risk of offending some nations. But the real test will come in the way Administrator Bell and other officials of the aid program respond to these recommendations. It should therefore be noted that the Committee has expressed confidence in these men and has spoken in special praise of Mr. Bell.

[From the Washington Post, Mar. 19, 1963]

THE CLAY REPORT

(By Roscoe Drummond)

The most constructive and controversial, the most massively misunderstood but still widely supported program of the Eisenhower and Kennedy administrations is foreign aid—military and economic.

Because foreign aid is complex, spread all over the world, and its fruits slow to appear, it is understandable that most people do not know how much is being spent where and why. It is, therefore, all the more significant that popular support for foreign aid, as found in the Gallup surveys, is higher today than at any time in the past 9 years.

But now a new factor is being added to the debate over military and development aid. This new factor of uncertain impact is the Clay report—a review, a reappraisal, and a series of recommendations by a Commission appointed by the President of 10 experienced private citizens and headed by Gen. Lucius D. Clay.

Did I refer to the "uncertain impact" of the Clay report? Well—

Representative OTTO PASSMAN, Democrat, of Louisiana, chairman of the Foreign Aid Subcommittee on Appropriations, who wants to cut the heart out of the foreign aid program—and always has wanted to—thinks another star ought to be pinned on the general's shoulder.

President Kennedy, whose budget calls for a billion-dollar increase in foreign aid spending, says he is "grateful" to General Clay, is pleased with the report.

Let's look at the report, not merely at what others say about it.

The Clay Committee unanimously supports the principle of military and development aid, calls it essential.

It describes the foreign aid programs as of great value to the national interest and to national security.

It wants these programs continued substantially.

The report endorses the competence and approach of the new aid administrator, David Bell, former Director of the Budget.

The Clay Committee's central criticism is this:

"We believe that we are attempting too much for too many and that a higher quality and reduced quantity of our defense aid effort in certain countries could accomplish more."

The Committee wants an assistance program of reduced scope and thereby more concentrated where it will do the most good. It favors terminating aid to countries not ready to use it effectively or failing to do their part in their own development. It warns against aid for international political purposes.

General Clay and his blue-ribbon panel propose no meat-ax cuts in the appropriation. They propose no $1.5 billion reduction, as some have mistakenly reported. The report says that the present program can accomplish its purposes with a cut of a half-billion phased out over 3 years and that its discriminating guidelines should permit a trimming of the proposed $1 billion increase in the new budget.

This is sound and sensible. The Clay report is far nearer the President's position than it is to the anti-foreign-aid views of Representative PASSMAN.

COMPLETION OF 50TH YEAR OF SERVICE BY EVERARD H. SMITH, CLERK OF COMMITTEE ON APPROPRIATIONS

Mr. HAYDEN. Mr. President, 1 year ago today other members of the Appropriations Committee and I brought to the attention of the Senate the commencement of the 50th year of the most commendable service to that committee and to the country by Mr. Everard H. Smith.

That year now having come to a conclusion, I will not again attempt to state the nature and quality of the assistance he has rendered during these 50 years, the past 25 of which he has served as chief clerk of the committee. Rather, I wish simply—on behalf of all the committee members and myself as chairman—to express profound appreciation for the splendid association which we have enjoyed with Everard during many of these years, to congratulate him upon the attainment of such a distinguished record of public service during so long a period, and to convey to him our affectionate good wishes.

Mr. YOUNG of North Dakota. Mr. President, today marks the 50th anniversary of Everard Smith as an employee of the Senate Committee on Appropriations. As chief clerk of this important committee of the Congress, Everard, as he is fondly known to all of us who have been honored and privileged to work with him, has seen the work of the committee evolve from what might be described as a one-man staff operation to today's complex division of the staff work among many people. He has not only seen the Senate come to this more practical and effective professional staff approach to its work, but he has had a guiding hand in its formulation. As a result of this professional staff type approach, the Senate Appropriations Committee has been able to handle its work much more effectively.

If one were to attempt to single out the greatest attribute of this outstanding public servant, it would be his ability to quietly and effectively master legislative problems which are charged with legal difficulties and complicated by the personal pressures of opponents and proponents of these measures. Certainly no one carries in his mind a greater store of knowledge on appropriations matters and the many precedents which bear on them than Everard Smith.

Through the years Everard has been a tireless worker. His whole life has been given to his job. For this the Senate—and indeed the whole country—will always be indebted to him—a wise, effective, public servant, counsellor, and friend. I congratulate Everard on attaining this remarkable milestone in a life of public service.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by the Senator from Massachusetts [Mr. SALTONSTALL] in relation to the service of Everard Smith.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SALTONSTALL

On the occasion of the 50th anniversary of the service of our friend, Everard Smith as a member of the Appropriations Committee staff, I should like to take the opportunity to add my voice in praise of this dedicated public servant. If one were to select all of the attributes that a professional staff man should have, Everard Smith would embody them all.

Everard became an employee of the Senate about a year after Chairman HAYDEN came to Congress. One-fifth of the present Members of the Senate had not yet been born. Since that time, he has rendered distinguished and efficient service to the Senate and has made a significant contribution to the effectiveness of the Appropriations Committee. Through the years he has served as teacher, counselor, and friend to all who have served in this body. He has been generous in spending time with new Members of the Senate and of the Appropriations Committee, as well as senior Members. All soon have come to recognize his intelligence, his calm judgment, and his deep feeling for the Senate as an institution. He has at his grasp a wealth of information on what is probably the most complicated subject in all of our legislative endeavors, the appropriations process.

Everard has been my good friend and adviser since I first became a member of the Appropriations Committee. I value our relationship highly and I am proud to pay tribute on this occasion to his many fine qualities and to his years of distinguished service to the Senate.

Mr. BIBLE. Mr. President, it is an extreme pleasure for me to join in paying a well-deserved tribute to Everard H. Smith, who today celebrates his 50th year of service on Capitol Hill.

As clerk of the Senate Appropriations Committee his responsibilities are heavy; yet he carries them with the same painstaking diligence that has characterized his entire career spanning a half century of service to this body.

Everard Smith entered the employ of the Senate as an assistant clerk of the Appropriations Committee on April 1, 1913. At that time the entire staff included, in addition to himself, a chief clerk and a typist. During the ensuing years Everard Smith has handled appropriations totaling many billions of dollars. His efficiency and his deep dedication to duty are hallmarks of this most remarkable man.

As a member of the Appropriations Committee who has had the opportunity to benefit from Everard Smith's knowledge and friendly cooperation, I am delighted to salute him on this notable occasion.

Mr. KUCHEL. Mr. President, I am delighted to join my colleagues, with whom I am honored to serve on the Senate Committee on Appropriations, in recognizing the half century of public service to the American people and to our committee which has been completed on this day by our chief clerk, Everard Smith. He is tireless and dedicated in his work. All of us, I am sure, are appreciative of this. I wish him many more years of effectiveness to the Senate and the Nation.

Mr. MANSFIELD. Mr. President, I should like to join the distinguished chairman [Mr. HAYDEN] and other members of the Appropriations Committee in saluting the chief clerk of the committee, Everard Smith, on his golden anniversary of service to the committee, to the Senate, and to the Nation.

It is difficult to grasp the fact that there is only one member of the Senate still sitting in this body who was in the Congress when Everard Smith began his long and immensely useful career of public service. He has accumulated, through the years, an invaluable store of experience in dealing with the most complex and exacting legislation which comes before the Congress. It is out of this store of experience and out of his own intrinsic professional wisdom that Everard Smith has lightened the burdens and otherwise assisted, in every appropriate way, the work of many members of the committee through the decades. As the most junior member of the Appropriations Committee, I wish to join with the most senior and with others in between in recognition of Everard Smith's outstanding service to the Senate and to the public at this milestone in his distinguished career.

TORNADO

Mr. MUNDT. Mr. President, weather, good and bad, is a vital force affecting all of us. Most of the time we do not notice the weather. When we do, it is usually because weather is a cause of some discomfort.

But on occasion the weather, or the forces of nature which determine our weather, get out of hand. And we experience disastrous results.

In my part of the country—South Dakota—the weather "got out of hand" last May. We are located on the fringe area of tornado alley. But last May it seemed as if our State became the heart of this vast area subjected to the summer tornadoes which have been a source of much concern.

The story of what happened last May is reported in the April 1963 issue of the Reader's Digest. The author is Helen Rezatto, freelance writer and part-time English instructor at South Dakota State College.

I bring this article before the Senate as a matter of interest pertaining to a measure which I have introduced. This bill is S. 132 and its purpose is to establish a National Weather Council.

The late Senator Francis Case authored this measure in the last Congress. No action was taken on the bill and I have again introduced it.

A National Weather Council would promote programs of atmospheric, meteorological, and weather research to advance and expedite knowledge of the weather, its development and trends, as well as give thorough study to modification or control programs.

The spine-tingling narrative of Mrs. Rezatto demonstrates, I believe, just one

of the problems of weather to which such a council could devote its study.

Through the work of such a council it might be possible someday to alleviate the fears of the people of the Midwest over tornadoes through the achievement of some program or some discovery which would stop such a storm before it started.

Experiments have already been made in this direction and I am confident that with the assistance of a council as outlined in my bill, S. 132, the impossible could very well become the possible in the area of weather control and modification.

Mr. President, I ask unanimous consent to include in the body of the RECORD at this point, the story by Mrs. Rezatto appearing in the Reader's Digest.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE WEEK OF HORROR ON THE GREAT PLAINS

(By Helen Rezatto)

(For days on end last May one tornado after another rampaged across South Dakota, spreading desolation.)

It was raining lightly on May 14, 1962, and spring showers are always welcome on the Great Plains. Farmer Emil Ziebart of Ethan, a town in southeastern South Dakota, glanced at the churning clouds massing in the southwest. He decided there was just time to plow another furrow before supper.

Nearing the end of the round, he checked the sky again. A grayish-black cloud wall about a half-mile wide loomed over his neighbor's grove. Below it hung a funnel-shaped mass, tapering toward the earth. Then suddenly, as he stared, horrified, the trees disappeared, flicked up as easily as a vacuum cleaner sucks up dust specks.

He jerked the plow from the earth and turned the tractor toward home. Behind him, advancing, the cavernous cloud mouth gaped hungrily.

He jumped from the tractor, raced toward the shelter belt on the west side of his farmyard, dived headfirst through the wire fence and grabbed the nearest tree trunk. There was a strange, ominous silence. Emil Ziebart gasped for breath in the weighted, Stygian air. He could hear only the pounding of his heart. Then there was a stupendous Niagara of sound and he felt a heavy blow on his back. He dug his face into the ground as the tornado roared over him.

Soon the black, omnivorous wall, the pressure, the horrendous noise were gone. Ziebart raised his head slowly. The top of the tree he was clutching was not there. Uprooted trees lay grotesquely like piles of rotting weeds, their roots hanging limp. Twisted, spiky pieces of tin, shattered lumber, an overturned corn picker, huge drifts of last year's cornstalks, dead chickens—all lay in chaotic heaps as far as he could see. Beside him was a naked pheasant, only its remaining neck plumage identifying the lifeless form.

Dazed, Ziebart stood up. He shook his head. Something was wrong. He must be confused about directions, he decided. Where were the barn, the silo, the granary, the chickenhouses—all his buildings? Gone. There was nothing standing, just mountains of debris.

Fearfully, he peered beyond for his house. He saw the remains of the front steps, leading up into empty space. Then he saw his home, completely lifted from the foundation, jammed against the tortured trees, roof fragments dangling pitifully like shattered human limbs. And his family?

He scrambled drunkenly over the littered mess. "Oh God. They're dead. It's taken everything. They're gone." It was the immemorial cry of man against nature's cruelty.

Emeline Ziebart had not turned on the radio or TV that May afternoon, and so did not hear the tornado warnings. While her freshly baked banana cake cooled on the kitchen table, she put several loaves of bread into the oven. She noticed it was sprinkling outside. Suddenly, an explosive crash startled her. The house shuddered convulsively; windows popped out.

"Tornado," she shouted. "Joey, Diane, run for the basement."

The three dashed wildly into the basement and crouched beneath the stairs, 7-year-old Joey between his mother and his sister, Diane, 17. Instinctively, Mrs. Ziebart pushed Joey down flat, she and Diane protecting his body with theirs. Superhuman powers pressed them viciously against the cement floor.

Then—was it 1 minute later, or 5—everything was quiet. The tornado had passed over them, its suction taking even their hiding place, the stairs. Above them was the open sky. Wreckage surrounded them—the washing machine, tubs, heavy pipes, severed electric cables, lumber—and mud everywhere. As they clambered out of the basement into the yard, fears flashed through Emeline Ziebart's mind: Where was Emil? Crushed beneath the tractor? Dashed to pieces in the field?

Suddenly she saw her husband—and he saw them at the same moment. He began to run, stumbling over the rubble. The four met and silently clung to one another. It was Diane who spoke first: "Thank God, we're all alive."

Solicitous neighbors drove the Ziebarts to the hospital where they were treated for shock and minor injuries. They spent a sleepless night with relatives.

Next morning the Ziebarts gazed stricken at the junkyard that once had been their well-kept farm. There was not even a fence; surviving cattle, frightened and injured, roamed for miles. In the topsy-turvy house, what furniture was left was broken and covered with filth; in the once shiny steel kitchen the electric stove lay on its side, spilling out the bread which had never baked. Strangely, the banana cake was gone; the pillager had gobbled it but left the pan.

Meanwhile, a few miles northeast, at the Anthony Schoenfelder farm, the same raging demon completely destroyed every outbuilding, but left the house on its foundation. During the attack, Schoenfelder had held the door closed against the mighty adversary until his wife and 12 children could escape to the basement. Mary Ann, the oldest girl, was planning a June wedding; her wedding dress was snatched from the living room floor, where it had been spread out for alterations, and torn to shreds. The scraps were found entangled in the silo wreckage.

The next day a second twister stalked into tiny Roswell, S. Dak., climaxing a wrathful 100-mile journey. Heralding its approach, hailstones, large as baseballs, pounded Joseph Hanson's trailer-home. Hanson, a filling-station operator, picked up his two children, Charles, 3, and Mark, 5, and set them on the couch beside his wife, 8 months pregnant. He tried to enfold them all in his arms. Then for an instant he felt weightless—suspended in space. The trailer seemed to flip over and over in slow motion. There was an explosion caused by the vacuum in the vortex of the twister. Everything blew out, including the four people.

Hanson picked himself from the sticky, littered ground. He saw a small human form rolling by like a tumbleweed; frantic, he reached for it. It was Charles, the 3-year-old. Hanson saw Mark, screaming, trying to stand up near a deadly powerline, coiled snakelike on the highway. "Don't move," the father shouted. He stood upright, holding one hysterical child. Their shoes were gone, their clothes shredded. His pregnant wife ran barefoot toward the older boy. The Hansons gathered their scattered family together. Unbelievably, they were all safe. Later, pieces of the trailer were found a mile away.

The Ziebarts, the Schoenfelders, the Hansons, plus many more, were victims of a series of giant punches which knocked out southeastern South Dakota during 1 week last May. This area is on the northwest edge of "tornado alley," the boundless reaches of the Great Plains stretching from the Gulf of Mexico to Canada. Here these violent revolving storms strike more frequently than anywhere else in the world.

A tornado is formed when cold dry air from the West or Northwest moves over warm, moist air from the South or Southwest. Under certain conditions this clashing of air masses causes the warm air to rise rapidly, sets up a revolving atmospheric motion (counterclockwise in the Northern Hemisphere). In the center of a tornado the low-pressure area is a partial vacuum. Inside the funnel-shaped cloud, the speed of the whirling wind is estimated to be between 200 and 500 miles per hour. The tornado cloud itself travels relatively slowly, from 20 to 45 miles an hour, usually from the southwest to the northeast.

Because of the extreme wind velocity, violent uprushing air currents, and the partial vacuum in the vortex, a tornado is capable of fantastic behavior. It can swerve in circles, go straight, U-turn, hop, skip, jump, or even suddenly disintegrate.

During the week of horror last May, the South Dakota tornadoes descended erratically every day, sometimes ravaging a wide area, sometimes only an isolated section. On May 21, exactly a week after the first disaster, Emil Ziebart, along with a poultry buyer and some helpers, was rounding up his remaining chickens. When hail and rain torrents slashed at them, Ziebart said, "Don't worry, a tornado never strikes the same place twice."

He was wrong. A funnel slithered toward them. "Let's go," Ziebart yelled. Jumping into their cars, the men headed north, then east, then back again west, outracing the writhing formation.

Afterward, they saw that the previously bashed-in combine had been flipped over again, and the 40-foot-long silo chute had disappeared. Ziebart said grimly, "Looks like that devil thought he forgot something."

There is no accounting for the vagaries of these diabolical horrors, ruthless, yet sometimes relenting. A trucker on Highway 47 near Gregory, S. Dak., driving ahead of a serpentine funnel, kept watch in his rear-view mirror as the tornado slashed, hacked and chewed up a quarter mile of asphalt road right behind him—before it veered off into a field.

At Lake Andes, where five funnels were counted in 1 day, the savage foray clawed off part of the schoolhouse roof, crushed the school kitchen and dining room—after school hours. But a gelatin salad, not even quivering, was found intact. Ripping through the kitchen of another house, a twister swept eggs from the refrigerator, smashed them onto the floor, dumped mud inside the box, then slammed the door closed. In a beauty shop, the thief sucked bills from a cash-register drawer that had been closed; the money was found two rooms away—but the money drawer was found still closed.

The twisting terrors of the frightful week in May left many homeless, wrecked hundreds of buildings, tore up miles of telephone and powerlines, uprooted countless trees, killed many animals. Southeastern South Dakota was faced with a seemingly hopeless cleanup and rebuilding chore.

Teamwork helped. Food, shelter, clothing and money were provided for the storm victims. But the greatest comfort of all was the sympathy and kindness given by the fortunate to the less fortunate. When Mary Ann Schoenfelder, the girl who lost her wedding dress, was married last June, she wore a bridal gown presented to her by the townspeople of Ethan. Joseph Hanson, whose uninsured trailer blew apart, felt better when the Red Cross, the Salvation Army, neighbors and unknown benefactors gave his family money, clothes, food—even playthings for the two little boys—and paid the first month's rent on a new trailer. Best of all, healthy Miss Jo Ann arrived a month later, apparently unruffled by her prenatal experience.

Emil Ziebart sold his remaining livestock, bought a house trailer and moved his family back to the desolate scene of two tornadoes. His eyes blazed with the indomitable courage of the Dakota pioneer: "The crops look pretty good—and we're all thankful to the Almighty just to be alive."

After the week was over, many others felt the same way. A number of clergymen offered grateful thanks to a merciful God for what was an almost unbelievable blessing: Not one person was seriously injured; not one human life was lost.

GRAFTON, W. VA., ALL AMERICA CITY

Mr. BYRD of West Virginia. Mr. President, in these times when local unemployment is such a pressing problem to our Nation, I am happy to be able to report to the Senate that the city of Grafton, in my State of West Virginia, has just been given national recognition for setting an example of how a depressed community can pull itself up by its own bootstraps.

The honor has come in the form of an All America City Award, jointly conferred by Look magazine and the National Municipal League. Look has just informed me by letter that nationwide recognition of Grafton's achievement will be made in the April 23 issue of Look, appearing on the newsstands April 9.

Grafton is a small city that I know well. It is located in the rugged mining country of the Tygart River Valley. For the past several decades it has been struggling with the twin woes of waning industry and dwindling population. In 1930 this historic county seat had a population of 7,737. By 1940 it had dropped to 7,431. In 1950 it was down to 7,365. In 1958, following a series of economic setbacks, Grafton seemed on the verge of a catastrophic decline. The story of how this West Virginia city pulled itself back on its feet is a heart-warming one.

Grafton's crisis of 1958 was precipitated when the city's major industry, a glass plant, shut down, throwing nearly 500 men out of work. Then a large pottery manufacturer went out of business. Railway employment slumped badly. The citizens of Grafton could read the handwriting on the wall. Unless something was done about the declining economy, they might soon be living in a ghost town.

But they did do something about it. Responsible local citizens formed the Grafton Area Development Council, whose "Operation Survival" was dedicated to the task of attracting new industry to Grafton. Volunteer workers took an inventory of the labor skills available locally and $30,000 in voluntary subscriptions was raised for developing industrial sites. The city's physical appearance was improved with new paving of streets, modernization of buildings, and razing of slum areas.

The reward of all this civic endeavor is the presence today of two new major industries in Grafton, and the hope of a third one arriving soon. Unemployment has been reduced, and the community spirit is up. National recognition of this sturdy West Virginia fighting spirit has come now in the form of an All America Award for civic leadership. I ask unanimous consent to have the letter sent to me by Look magazine announcing the award printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LOOK,
New York, N.Y., March 19, 1963.

Senator ROBERT C. BYRD, of West Virginia,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BYRD: It is our pleasure to bring you the good news that a city in West Virginia—Grafton—has just been awarded the title of "All America City."

The award goes to Grafton for the vigorous action of its citizens in bringing about major civic improvements, and thus setting an example of good citizenship to the Nation.

The All America Cities Awards are given each year to 11 U.S. communities selected by a jury of distinguished citizens and experts on government impaneled by the National Municipal League, which is the cosponsor with Look magazine of the annual awards competition. The All America City program is now in its 15th year.

The names of the winners have just been released to the press, and the story of the winning cities will appear in the April 23 issue of Look, on the newsstands April 9.

Look feels privileged to announce the names of this fine new team of All America Cities. I am enclosing a set of advance tear sheets of the Look article as I am sure you will be interested to know the basis of the award which has been conferred on another of the communities in your State.

Sincerely yours,

JANE DOUGLAS,
Coordinator of Civic Programs.

CONCURRENT RESOLUTIONS AND RESOLUTIONS OF ARKANSAS GENERAL ASSEMBLY

Mr. FULBRIGHT. Mr. President, the 64th General Assembly of the State of Arkansas, which adjourned recently, adopted a number of resolutions which I wish to bring to the attention of the Senate. The first is a house concurrent resolution, offered by Representative Bill Wells of Bradley County, petitioning the Congress to reject the proposed changes in capital gains treatment of timber sales.

A house resolution, offered by Representative C. B. Nance, Jr., of Crittenden County, urged that certain action be taken against foreign lumber imports in order to improve the competitive position of the domestic lumber industry.

A resolution, offered by Representative Ode Maddox of Montgomery County, asked that the Federal Government study the feasibility of providing certain idle Federal land to veterans for home-building purposes.

The general assembly also approved a house concurrent resolution, authored by Representative Hugh Hackler, urging the Congress to enact H.R. 2918, a bill introduced by my congressman, James W. Trimble, to authorize the Secretary of the Interior to preserve the Wolf House in Baxter County, Ark., as a National Historic Site.

I ask unanimous consent that all of these measures be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the concurrent resolutions and resolutions were ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 30

Resolution petitioning Congress to reject the changes in timber taxation proposed by Secretary of the Treasury Dillon

Whereas capital gains tax treatment of timber under the Internal Revenue Code has been the major factor responsible for the vast progress of Arkansas in forest management and the growth of forest resources during the past half century; and

Whereas the substantial elimination of capital gains treatment for the owners of forest lands would constitute the most severe setback in this generation to the growth of forest products; and

Whereas the jobs of thousands of employees and many hundreds of communities are affected by the forest industries of Arkansas and are jeopardized by the proposed elimination of capital gains treatment of timber: Now, therefore, be it

Resolved by the House of Representatives of the 64th General Assembly of Arkansas, the Senate concurring therein:

SECTION 1. The General Assembly of Arkansas hereby petitions the Congress of the United States to defeat and reject the extreme and harmful changes in timber taxation proposed by Secretary of the Treasury Dillon to the Ways and Means Committee of the House of Representatives on February 6, 1963.

SEC. 2. The secretary of state is hereby directed to transmit a certified copy of this resolution to each member of the Arkansas congressional delegation, to the President of the United States, and to the Secretary of the Treasury, Douglas Dillon.

HOUSE RESOLUTION

Whereas there is no shortage of timber for the production of lumber and related items in the United States; and

Whereas there is a need to increase the cut from overmature forests to prevent excessive loss from decay, disease and other causes; and

Whereas U.S. lumber manufacturing firms pay the highest wages and provide working conditions equal to or better than similar firms in other countries; and

Whereas lumber manufacturing firms in the United States are losing their home markets to foreign firms, especially Canada, due to advantages such as depreciated currency, low stumpage rates, noncompetitive bidding, less costly and restrictive forest practices, lower wage rates, high tariff rates on lumber shipped to Canada, low charter rates for coastal and intercoastal shipping, and cooperative government; and

Whereas, lumber imports from Canada are increasing yearly at an alarming rate and now constitute about one-sixth of the

annual consumption of lumber in the United States; and

Whereas unemployment in the lumber industry of the United States is increasing with resultant loss of wages to the workers, loss of taxes and income to taxing bodies and communities: Now, therefore, be it

Resolved by the 64th General Assembly of the State of Arkansas, That the Congress and President of the United States are respectfully petitioned to give immediate attention to, and request action necessary, to place the lumber industry of the United States on an equitable and competitive basis with foreign manufacturers through the use of a quota system or other means, including the requirement that imported lumber be marked to show the country of origin, to the end that domestic manufacturers are not placed at a disadvantage with resultant loss of markets, reduction of employment, loss of taxes and deterioration of communities; and be it further

Resolved, That copies of this resolution be transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives, and to the Arkansas delegation to the Congress of the United States.

C. B. NANCE, Jr.

HOUSE RESOLUTION 3

Whereas the Federal Government has many thousand acres of Federal lands which are lying idle and are not being used in connection with any existing Federal projects; and

Whereas many veterans are of limited means and do not have adequate funds for the purpose of acquiring lands and building a house thereupon for a home; and

Whereas it is believed that idle nonprofit Federal lands should be made available to veterans for the purpose of building homes: Now, therefore be it

Resolved by the House of Representatives of the 64th General Assembly of the State of Arkansas, That the Arkansas House of Representatives hereby requests the Federal Government to study the feasibility of granting idle nonprofit Federal lands to veterans for the purpose of building homes thereon; and be it further

Resolved, That upon adoption hereof a copy of this resolution shall be furnished, by the chief clerk of the house of representatives, to the U.S. Veterans' Administration in Washington, D.C., and to each member of the Arkansas congressional delegation.

MADDOX.

HOUSE CONCURRENT RESOLUTION 37

Resolution urging Congress to adopt pending legislation to preserve and designate the Wolf House at Norfolk, Ark., as the "Wolf House National Historic Site"

Whereas Maj. Jacob Wolf, territorial Indian agent of the United States, built a structure of square hewn logs more than 154 years ago on a beautiful site in the town of Norfork, Baxter County, Ark.; and

Whereas this 154-year-old structure still proudly overlooks the confluence of the Northfork and White Rivers and affords one of the most beautiful scenic views of the Ozarks; and

Whereas said building served as the first courthouse in north central Arkansas for many years when the area was a territory prior to 1836 when Arkansas became a State; and

Whereas the earliest histories of north central Arkansas trace back to meetings in this historic building; and

Whereas the Wolf House was a landmark at the northeast corner of the Cherokee Nation before Arkansas was admitted to the Union and said building was the meeting-place for Sam Houston, James Bowie, and other noted figures of territorial days; and

Whereas this historic house is deteriorating and is in need of restoration; and

Whereas Congressman JAMES W. TRIMBLE has introduced legislation, H.R. 2918, in the Congress of the United States to authorize the Secretary of the Interior to designate for preservation as the "Wolf House National Historic Site" and authorizes appropriation of funds for said purposes; and

Whereas the preservation of this famous historic site is vital and important not only to the residents and people of the great State of Arkansas, but also to people throughout the United States who visit the beautiful Ozarks and fish in the trout-laden, beautiful, crystal clear, cold waters of Northfork and White Rivers in the vicinity of this historic shrine—the Wolf House: Now, therefore, be it

Resolved by the House of Representatives of the 64th General Assembly of the State of Arkansas (the Senate concurring therein):

SECTION 1. The General Assembly of Arkansas hereby urges the Congress of the United States and the Secretary of Interior to adopt the legislation authored by Hon. JAMES W. TRIMBLE to designate and preserve as "the Wolf House National Historic Site" at Norfork, Baxter County, Ark., together with such adoining property as the Secretary may determine necessary; and be it further

Resolved, That the State of Arkansas will cooperate in whatever manner possible with the United States to accomplish the establishment of this historic shrine.

SEC. 2. The secretary of state of the State of Arkansas is hereby directed to transmit a certified copy of this resolution to the Secretary of the Interior of the United States and to each member of the Arkansas delegation in the U.S. Congress.

Approved March 20, 1963.

THE GROWTH OF FEDERAL POWER

Mr. GOLDWATER. Mr. President, as my colleagues well know, I have repeatedly expressed my concern over the growth of Federal power. My concern has increased under the present administration because it has seemed to me that with the type of individuals now in charge of the various power agencies, the pace of expanding Federal power at the expense of private enterprise will be greatly increased.

My fears have not been without substantiation. Nevertheless, these individuals I am referring to are operating today with a subtlety and skill unmatched by their predecessors who also wanted to see the Federal Government dominant in the field of power. Because of this skill and subtlety I refer to, it has not always been apparent to the public just exactly how insidiously the growth of Federal power is being promoted today. These officials are guarded in their statements and talk in soothing terms about the need for cooperation, the need for public and private power working together and the need for utilizing all our resources in order to meet the country's power needs. They say, in effect, "we are not out to scuttle private power, we only want to work with them."

Well, Mr. President, I am not one of those who has been fooled by this soothing talk. And I imagine there are still a few others who are also acutely aware of the true nature of this campaign.

I have recently become familiar with a most remarkable document which I want to draw to the attention of my colleagues because in this document the objectives and intent of the administration with respect to Federal power stand clearly revealed. The document I refer to is the brief filed by the Department of Interior before the Federal Power Commission in the case of the High Mountain Sheep Dam on the Snake River in Idaho. In this case a Federal Power Commission Examiner last October 8 recommended the granting of a license to an investor-owned utility, the Pacific Northwest Power Co., for construction of this project. The brief by the Department of Interior takes exception to this action by the Federal Power Commission Examiner on the grounds that this project should be reserved for Federal construction. This brief can be freely summarized on one sentence: Investor-owned companies in the Pacific Northwest no longer have the right to build their own powerplants.

Let me give you a few quotes from this brief.

It states:

> In the past the Federal Columbia River power system has been the basic wholesaler of power in the region. * * * Now in the present case it is proposed that additional wholesalers be brought into the region * * *. These wholesalers propose to sell to customers presently buying Federal power. It is inconceivable that either one of the new wholesale power agencies could be licensed without further reducing the gross and net revenues of Bonneville Power Administration.
>
> If Bonneville Power Administration deficits continue the Federal system will find it increasingly difficult to fulfill its distinctive role of providing an ample power supply at lowest cost and with widespread availability * * *. The overall effect of further deterioration of the position of the Federal power system would ultimately be reflected in the productivity and general economy of the Pacific Northwest.

Later in the brief there are these comments:

> The cardinal principle which governs the operation of an electric power system is that all interconnected generating plants should be operated as if one utility owned the entire system. * * * If all the plants in the system belong to the United States, they can be operated to meet a common objective * * *. Operation of the project primarily for the benefit of its owners would be in inherent conflict with fully integrated system operation. Any further Balkanization of the Pacific Northwest power system will limit the economic growth of the region and decrease beneficial effects of any increment to the system. The disintegration of the system's ownership would hasten the ultimate disintegration of the system itself.

Mr. President, I cannot read into these statements any interpretation other than the one I have cited; namely, in the Pacific Northwest there is no longer room for private enterprise in the power field.

This brief is incredible in many respects. As my colleagues know, the Bonneville Power Administration has been losing money steadily for the last few years and expects to lose a good many million dollars more over the next few years. This Interior Department brief attributes these losses to the fact that the private utilities in the area have had the unmitigated gall to put in their own generating capacity instead of buying it from the Federal Government.

It has long been a favorite argument of the public power supporters to say that the Federal Government must build projects because there is a power shortage in this or that region. It does not matter what facts are produced to disprove this, they just keep saying power shortage over and over again like a cracked record. Well, let me tell you something. The only area of the United States where in recent years there has been a demonstrable power shortage was in the Pacific Northwest, where there is the biggest collection in the country of Federal and public power projects. Private enterprise built some projects that solved the question of the power shortage in that area and now comes the Department of Interior claiming that Bonneville is losing money because the private power companies put in some capacity of their own.

I wonder, Mr. President, if the Department of Interior will ever show the same concern for private companies if they should find themselves losing money because of the competition from subsidized Federal power.

It is no secret that I have opposed the unfair Government competition with our free enterprise system with all of the inequities of below-cost Government financing and freedom from taxation. I have also recognized the trend and danger of an ever-increasing Government role in the electric power business. Of course, I have known that the proponents of Government power have promoted its expansion and I have also known that these same people opposed investor-owned company development of our natural resources, although the benefits of such developments accrue to the public. But, Mr. President, I never thought that the Interior Department would be so bold as to openly state what many of us have known for a long time—that is, their objective is expansion of Federal power to the exclusion of investor-owned development. But here the Interior Department has come out in the open by publicly stating what it has long intended, but publicly denied, and that is that the Government and only the Government should be permitted to expand power production in the Pacific Northwest.

Interior seems to feel that investor-owned development of additional power in the Pacific Northwest is going to jeopardize the financial status of Government developments. The Bonneville Power Administration is selling power, and has been for years, at the cheapest rate of any place in the United States. In fact, its rate is nearly half the rate charged by the Tennessee Valley Authority, which is held up as the outstanding adventure into the realm of socialism. Bonneville is selling power at about $2\frac{3}{10}$ mills per kilowatt hour. In many sections of the country it costs about three times that amount just to produce power with fuel-fired plants. If Bonneville is losing money, and it certainly is, I wonder why the thought of increasing rates above the ridiculously low price it is now charging has never entered the minds of those charged with the responsibility of disposing of Government power in that area.

One thing that is of great concern today, Mr. President, is the utter disregard the Interior Department, under which the Bureau of Reclamation operates, shows toward the reclamation of lands. Oh, they favor the reclamation of lands if such reclamation appears to be a part of expanding the Federal power system, but reclamation is its secondary and not its primary consideration. There is a limit of money available to the West for Federal development and if this money is to be expended on power developments, where is the money for reclamation coming from? Although the revenues from the sale of electric power in the Pacific Northwest were to be used for assistance in financing reclamation developments in that area, if the Bonneville Power Administration is to continue losing money on its power operations, where is the help to reclamation coming from?

One of my great concerns is for the central Arizona project in my native State. We desperately need water for continuing development. It is going to be expensive to bring additional water into Arizona. That we all know. But where is the money coming from for that development if the Interior Department and Bureau are going to continue seeking huge appropriations from the Federal Treasury to construct power projects? The High Mountain Sheep development would cost hundreds of millions of dollars. It is a power project, pure and simple—a power project that investor-owned electric companies are ready to build at no cost to the Federal Government. Construction by the investor-owned companies would provide every advantage to the area that Government construction would provide. Something we seem to forget is that consumers buying power from investor-financed companies are citizens of this country and are entitled to the same privileges as other citizens. If the investor-owned companies can provide an economical source of power, the benefits accrue to their consumers. Are their customers to be put into a second-class-citizen category?

Mr. President, the more I see of Interior's machinations in the electric power field, the more convinced I become that the people responsible for the operation of the Department are determined that the Government, with Interior, of course, playing the leading role, shall dominate the power industry in this country.

Mr. President, if we are willing to take off the blindfolds and look this question straight in the eye, I am sure that others will come to the same conclusion I have and also realize it is time for us to get this question straightened out. If it is the desire of the people of this country to socialize one of our basic industries, let us face the question squarely and not let a handful of bureaucrats lead us blindfolded into a situation that would destroy our free enterprise system.

MANAGED NEWS

Mr. FONG. Mr. President, in view of the widespread public interest in the subject of managed news, I wish to bring to the attention of Senators two articles of particular significance.

One appears in the April issue of the Atlantic Monthly. It is entitled "Managed News—Our Peacetime Censorship." The author is the distinguished military analyst of the New York Times, Hanson W. Baldwin.

The other article is by the able analyst and columnist, Roscoe Drummond, which appeared in the Washington Post on March 29, 1963.

I ask unanimous consent that the two articles be printed at this point in the RECORD.

There being no objection, the articles were ordred to be printed in the RECORD, as follows:

[From the Atlantic Monthly magazine, April 1963]

MANAGED NEWS: OUR PEACETIME CENSORSHIP

(By Hanson W. Baldwin)

(NOTE.—"The blatant methods used by the administration and its tampering with the news deserve considerably more criticism and discussion than they have received," says Hanson W. Baldwin, the military analyst for the New York Times. In the article which follows, Mr. Baldwin describes these methods and points out the danger of Government manipulation of the news.)

The problem of reconciling security and freedom is not new to the Kennedy administration. It existed when the Nation was young, and it has troubled every era of our history. But it has become acute only since the end of World War II, when the twin threats of the atomic age and the Communist conspiracy have posed the greatest dangers to national security in our history. There has been, in the last two decades, an inevitable growth of Government secrecy in an age when man has the power to destroy himself and in an era when an aggressive, expansionist communism poses hidden dangers, with its secret subversions, to the body politic. The pressure ever since 1945 has been clearly on the side of more secrecy.

This pressure has been greatly increased by the tremendously strengthened influence in Government of the Federal police power (the FBI and especially the Central Intelligence Agency) and of the "intelligence mentality," which tends to enshrine secrecy as an abstract good. A significant growth in the power of the Presidency and in the size, power, and centralization of the executive branch—checked only slightly during Eisenhower's administration by his concept of a Congress which proposed, a President who disposed—has strengthened the wall of secrecy which has gradually been built around Government.

The trend poses some long-term dangers. James Madison noted in the Virginia Convention of June 16, 1788: "Since the general civilization of mankind, I believe there are more instances of the abridgment of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpation." It is the "gradual and silent encroachments" upon many past concepts of press freedoms that have greatly troubled close observers of the Kennedy administration.

John F. Kennedy, during his first 2 years in office, has proved to be, in his press conferences and rocking chair chats, an articulate, winning, and persuasive President. He and his administration have been extremely sensitive to the public image of the man and the office as mirrored by the press and other public relations media.

Despite this sensitivity (or perhaps because of it), despite the President's highly articulate phrases, there is a major question about the methods employed in the administration's public relations policies, a doubt that

the people are really being taken into the confidence of the President to the same degree that they were during World War II and Korea.

This vigorous and cocky young administration has provided the yeast of the New Frontier, which, mixed into the dangerous ferment of our times, has produced, in the opinion of many newsmen, some astonishing examples of news repression and distortion, management and control, and pressures and propaganda.

It should be emphasized that news management is not new with this administration. It has been attempted and sometimes practiced successfully in the past, often with a Madison Avenue flair and heavy overtones of propaganda, by various Presidents, by the individual armed services, and by other executive departments. It can even be argued that some degree of news management may be necessary in the last half of the 20th century, when nuclear weapons and Communist conquests pose unparalleled dangers to democracy. But the Kennedy administration has shown a sensitivity to criticism, a readiness to resent it, and a willingness to use unorthodox methods to meet it that have troubled many people. The elimination of the New York Herald Tribune, leading Republican critic of the New Frontier, from the list of papers subscribed to by the White House was but the surface symptom of a widespread administration attitude. The management and manipulation of news at the source have been publicly defended by a minor administration official who nevertheless was clearly voicing the views of the administration.

THE USE OF THE FBI

What form has this control and management and manipulation taken? The first and most dangerous form has been the freewheeling use of Federal police power to investigate leaks.

FBI agents have been employed in at least half a dozen separate instances in the past 2 years in investigations of the sources of news stories. Investigations of this sort are not new with the Kennedy regime. The Eisenhower administration several times used the Federal sleuths in attempts to detect the sources of stories published by various papers. But Mr. Kennedy has called upon the FBI far more frequently in cases of this sort than any prior President, and the methods used by the FBI in this administration, though sometimes repudiated or apologized for later, have smacked of totalitarianism rather than of democratic government.

Federal agents have visited the homes of reporters and newspaper employees in attempts to question them about their sources. Reporters say they have been shadowed in the corridors of the Pentagon, and many newspapermen, as well as military officers and Government officials, believe their phones have been tapped.

Newsmen who have experienced "the treatment" include some of the most highly respected reporters in Washington, men like Lloyd Norman of Newsweek, a thorough, careful, and discreet veteran of Pentagon coverage; John Richard Frykland, who covers the Pentagon, and Earl Voss, the State Department, for the Washington Evening Star; and many others.

In all these cases the newsmen concerned have told the FBI in effect that their sources were their business. But this has not prevented extensive, intimidating FBI investigations involving checks into the newsmen's contacts, friendships, and associations. These investigations have ranged throughout the Pentagon, the State Department, and other executive branches of Government, and far afield outside Government. And Mr. Kennedy has been the first President to send the FBI into the Pentagon, superseding the services' own investigative and internal security agencies.

FBI agents have questioned civilian officials and commissioned officers of all ranks, from the major junior rank to three- and four-star generals and admirals. The interrogations have been detailed and sometimes hectoring; junior officers have even been threatened with lie detector tests. To men who have devoted a lifetime of loyal service to their country and who, their commissions read, are worthy of "special trust and confidence," such treatment is demeaning and destructive of morale.

The administration says that these investigations are intended solely to plug leaks and to prevent disclosures inimical to the Nation's security, and are not directed in any way against a free press. Nor are they intended, it is claimed, to downgrade the status of the officer corps. Yet the stories which have produced FBI investigations have nearly always dealt with subjects and facts fully known to the Russians and to many others besides; few if any of these stories have harmed the Nation's security. Usually, however, they have been embarrassing to the administration for one reason or another; often newsmen have divulged information before the administration was ready to announce it. In several cases, official ire was aroused because many top-ranking Government officials who by intent or bureaucratic inefficiency had been left in outer darkness first learned the facts from published stories.

Regardless of the avowed intent or ostensible purpose of the FBI investigations, the methods used—visits of agents to the homes of newspaper employees, the chivying and tacit threatening of Government employees and officers, tapping of telephone lines, and shadowing of reporters—have had, as they almost certainly were intended to have, an intimidating and restricting effect. The kind, the amount, and the character of news, particularly military news, available to the public has been reduced.

THE PERSONAL APPROACH

The second method employed in the past 2 years to control or shape the news is the frequent use by high administration officials, including the President himself, of the personal reprimand, request, admonition, complaint, or compliment. The direct approach to working newsmen or to editors or publishers is not, of course, new with this administration, but the frequent participation of the President himself in such approaches is unusual. The President reads widely; quite often he picks up the telephone to chide, complain, or praise a reporter or editor for a story which has irked or pleased him.

The inclusion of correspondents, editors, publishers, and commentators on the President's appointment calendar or the White House guest list is another tacit form (a Washington status symbol) of attempting to influence the news. In this administration such favorites are expecting to be sympathetic, not too critical; otherwise they may be cast, along with the Herald Tribune, into outer darkness.

Some of the President's advisers, particularly the Attorney General, Theodore Sorensen, and Pierre Salinger, are even quicker on the trigger: they frequently complain or cajole; some say they have even tacitly threatened. In one instance, when a Washington newspaper published an editorial which declared that the facts available to it did not entirely agree with the President's public account of the incident, Salinger telephoned an executive of the paper and wanted to know whether the paper was calling the President a liar.

The President, the Attorney General, and others have frequently inveighed to visitors about criticism of the New Frontier, and the President has sometimes utilized Cabinet meetings as a forum for his complaints.

When Charles J. V. Murphy, respected and experienced Washington correspondent for Fortune magazine, published in the September 1961 Fortune a complete and thorough account of the Laotian and Bay of Pigs fiascoes, his article was denounced by the President personally at a press conference. General Maxwell D. Taylor was then sent to New York with a bill of complaints to see Henry Luce. He was politely received, but when he was all through, astonishment was expressed at the picayune nature of the objections. Later, Murphy, a colonel in the Air Force Reserve who for years has had a mobilization assignment in the office of the Air Chief of Staff, found that under pressure the Air Force had been compelled to shift him to a minor post elsewhere.

RESTRICTING THE NEWS

A most important method of controlling and restricting the news is the tremendous centralization of authority that has been effected by this administration. There has been a trend in this direction ever since World War II, but under Kennedy the process of centralizing and restricting authority for releasing news has gone very much further than it has ever gone in the past. Despite the global responsibilities of the Armed Forces and the tremendous size of our Government, an attempt, at least partially successful, has been made to control from Washington the nature, the kind, and even the details of news released in Saigon, Okinawa, Alaska, or Frankfurt. In the Pentagon the discretion and responsibility of the individual services and of the subordinate commands have been so greatly curtailed by restrictions that even the simplest kind of release requires clearance by the Office of the Assistant Secretary of Defense for Public Affairs, Arthur Sylvester. In the State Department the control is not so tight, but it is nevertheless less flexible than in the past.

Both Departments carry out the public relations policies and also the detailed instructions of the White House. The White House, in respect to news, does not really mean Pierre Salinger, the President's press secretary. Salinger is not one of the inner circle, and the basic policies are established by Sorensen, McGeorge Bundy, the Attorney General, or the President himself. The press and public affairs assistants in this administration have none of the concepts of their predecessors; they do not really represent the public's right to know, nor do they play any major role in the development of public relations policies. They are rather mouthpieces of the administration.

UNDER GUISE OF SECURITY

The Cuban crisis revealed still another means of controlling the flow of news vital to the people. This was achieved quite simply, under the guise of security, by blocking the press from access to the sources of news. Restrictions that exceeded those of World War II or Korea prevented the press, radio, and television from covering the "quarantine," or blockading, fleet or from visiting our beleaguered base at Guantanamo until the immediate crisis ended. Stringent rules were put into effect in the Pentagon and State Department, which funneled all official statements through a Pentagon or State Department spokesman.

In the Pentagon the secretaries of the individual services were bypassed, and Assistant Secretary Sylvester issued an order which required the presence of a third person during any interview with a news media representative, or, alternatively, the filing of a report by the person interviewed, summarizing the subjects discussed and identifying the interviewer. A similar though less drastic rule was applied in the State Department, but after strenuous objections from newspapermen, it has been lifted. As

this is written, the Pentagon rule is still in effect. It has had, and was bound to have (as it was intended to), a restrictive effect upon the kind and character of news emanating from the Pentagon. This simple measure, with its implications of punitive action if someone treads on forbidden ground, has gone a long way toward restricting news to the "Poppa knows best" kind, to stories and data which the Government wants to release.

THE CALCULATED LEAK

Still another tactic used frequently by this administration in its attempts to shape the news and to achieve its ends is the calculated leak, the carefully disseminated canard or half-truth from someone close to the throne. This, too, is not new, but the crudity and the frequency of its use in recent years are exceptional. The account in the Saturday Evening Post by Stewart Alsop and Charles Bartlett which purported to depict the alleged "softness" of Adlai Stevenson during the 1962 Cuban crisis was but the most recent of several such episodes.

All of them had the same earmarks: a favored reporter close to the President was given high-level background information for publication. The publication of this information did not commit the President, but in each instance it certainly weakened the position of the victim; in fact, it cut the ground from under his feet. Chester Bowles was the first to feel this snickersnee between his ribs; later the Joint Chiefs of Staff, collectively, and Gen. Lyman L. Lemnitzer, its chairman, got somewhat less severe treatment. Then it was Stevenson's turn. The beauty of this gambit, the gambit of the calculated leak, is that the President, if he wants to, can disavow the article (he was loyal enough to Bartlett, his old friend, not to do so), but it will do its work nonetheless.

DELIBERATE FALSEHOOD

A corollary to the calculated leak is what might be called the policy of the open door. This was utilized to the maximum after the steel-price-rise controversy, and particularly after the successful termination of the Cuban crisis of 1962. The word is spread by the White House that the administration will be glad to open some doors to favored news media so that the full background story of the days of crisis can be told exclusively in the Blaptown Bugle.

After the October 1962 Cuban crisis, a rash of "now it can be told" stories, each purporting to give the inside story, each claiming an exclusive quality, appeared in the Saturday Evening Post, Time, Life, the Reader's Digest, Look, and a number of daily papers. A few writers were careful to state that this was an administration account, that the full story would have to await history.

This kind of shaping and manipulation of the news—utilizing the lure of inside information, the open door, exclusive interviews, and off-the-record appointments—is old hat to official Washington. But in degree and kind, and particularly in the slanting of the released information to enhance the image of the President, it is unusual in this administration.

There was a time when the word of the Government was its bond; the people could have faith, allowing for mistakes and erroneous interpretations, in what Washington told them. Public confidence has been severely shaken many times since World War II; the U-2 case exposed the dangers of governmental falsehood for all to see.

But the Kennedy administration does not appear to have learned from these past horrible examples. During the Cuban crisis and at other times, the successful restrictions upon news coverage and the centralization of authority for releasing news enabled various Government spokesmen, particularly those in the Pentagon, to withhold or slant at will, or in some cases, without expert advice, to make unintentional mistakes. Only later did some of the public come to realize that a picture had been painted differing from reality.

CUBA: PROPAGANDA VERSUS NEWS

During the Cuban crisis the details of what was going on were limited to brief generalizations from the White House and the reading of terse announcements by a "Pentagon spokesman." The Pentagon did not announce hailing of the first ship passing through the blockade until after it had been announced by a Congressman; the first photographs of the missile sites in Cuba were released in London. Pentagon spokesmen denied, at a time when the facts were in hand, any knowledge of the removal of 42 Soviet missiles from Cuba until it was announced on a television program a day later.

The crisis also produced from a civilian spokesman, unhindered by or disdaining military knowledge, statements which were grossly inaccurate. Some of these restrictions and mistakes can be extenuated on the grounds of crisis. Certainly the Nation's press, as it showed at the time of crisis, willingly withheld detailed news of military movements until the crisis had ended. But many of the news restrictions and much of the news management imposed by the Kennedy administration as ostensibly temporary measures remain in effect. Few Americans realize that Cuba is far stronger militarily than it was prior to the crisis; that there are still thousands of Soviet troops on the island, hundreds of tanks, scores of jet fighters, and many of the latest type of ground-to-air missiles. Castro and the Russians know the details of Russian military strength on Cuba; some of our allies know them; but for many weeks the American people were kept in darkness.

In other words, an aura of propaganda has surrounded the Government's public presentation of the Cuban situation since the beginning. The major political and psychological victory achieved by the Kennedy administration in its dramatic confrontation with Premier Khrushchev has not been balanced by a calm assessment of the negative aspects: the greatly increased military strength of the Communist-Castro regime; the possibility, even the probability, that some long-range missiles are still concealed in Cuba; the likelihood that Cuba, like the albatross in "The Ancient Mariner," will hang around the neck of U.S. foreign policy for an indefinite future.

CANCELLATION OF SKYBOLT

The Skybolt missile issue provided another example of distorted news handling. To hear Pentagon spokesmen talk one would gather, inaccurately, that the Skybolt development program was far behind schedule, that all of its initial tests had failed, that it was a technical dud. There was no reference to the fact that the Joint Chiefs of Staff favored continued development of the missile, that an air-launched ballistic missile coupled with a nuclear-powered aircraft and a navigational satellite to help fix the launching plane's exact position in space offered a growth potential of tremendous importance for the future, and that the missile's development program was approximately on schedule.

The cancellation of the Skybolt could be fairly defended and explained on a cost basis; it presented an addition to the Nation's nuclear-delivery armory, an armory that was already extensive and that had the capability of overkilling Soviet Russia many times. But the adverse political effects in Britain were discounted, and the strategic advantages and technical capabilities of the Skybolt were deliberately downgraded. The result was a distorted picture as far as official Government statements were concerned.

INFORMATION IS POWER

What does all this add up to? Is it merely, as some editors have maintained, the gripings of a lazy press, too slothful to penetrate the bureaucratic maze in Washington, too conscious of the newspaper's privileged place in American life, unaware of its own irresponsibility? Is it simply another chapter in the conflict between the President and the press?

This question is best answered in the words of Arthur Sylvester, Assistant Secretary of Defense for Public Affairs. Mr. Sylvester executes policy; he does not set it. But his actions and his words are never lightly chosen; they represent administration and White House policy. If they did not, Mr. Sylvester would long ago have been sacrificed, as others in the Pentagon and elsewhere have been.

Mr. Sylvester has twice discussed publicly, once in an interview and once in a speech, his (the Government's) concept of the role of a free press in a democracy. He told the Associated Press some months ago that "news generated by the action of the Government as to content and timing are part of the arsenal of weaponry that a President has." He defended the Government's management, control and restriction of the flow of the news so that a free press might speak "in one voice to your adversary." Later, in a speech to the New York Chapter of the Sigma Delta Chi journalism fraternity, Mr. Sylvester declared, "It is the Government's inherent right to lie if necessary to save itself when faced with nuclear disaster; this is basic." He added that the Defense Department would continue to use news to further the aims of American foreign policy, because "information is power." This is strange language from a man with more than 20 years of newspaper experience, 16 years of it in Washington, D.C.

There are many familiar and foreboding nuances in Mr. Sylvester's phrases. They are a direct reflection of the "intelligence mentality," which has steadily increased in influence in Washington since the war, and which also holds that information is power and must therefore be hedged around with secrecy and safeguards.

His reference to news as a weapon echoes some of the old debates that heralded the permanent establishment as an arm of Government of the Voice of America and the U.S. Information Agency. The press expressed fears then that the participation of Government in the dissemination of news to foreign countries might well become, as indeed it was bound to become, the use of news to further American foreign policy; that is, the management, control, and direction of the news toward a specific purpose, the propaganda or the slant which a free press rightly fears. This same concept, then viewed as a support for our foreign policy, but for oversea export only, has now been, in Mr. Sylvester's words, applied to the domestic regulation of the news.

THE DANGERS OF SECRECY

What are the dangers and the adverse effects of such management, restriction, and manipulation of the news? One of them is internal. The mania for secrecy often prevents the right hand of government from knowing what the left hand is doing. The dissemination of information on a so-called "need to know" basis has led to the compartmentalization of facts and background, with consequent increased expense, loss of time, and sometimes inchoate government actions, which have cost us dearly. Undue secrecy not only makes for inefficient government; it protects inefficiency and hides corruption.

The second result is the adverse effect upon the morale of government employees and the armed services and their relatives. News about their doings, even though carefully sieved when necessary so as to reveal no vital

information to a potential enemy, is not only conducive to morale, but it represents a right of the American people, whose sons are doing the fighting and sometimes the dying.

A corollary danger is that many of the carefully built-up channels of cooperation between press and Government established during and since World War II by careful selection and training of Government information officers are tending to break down. The concepts, finally established in World War II despite the objections and suspicions of the old order, that the "press is on our side, too," and that "honesty is the best policy" have been taught to successive generations of commanding officers, officials, and public information officers at service and civilian schools ever since the war. Recent governmental policies make a mockery of these tried and tested principles, and the centralization of authority, the close control over the release of news make many public information officers of great capability errand boys, parrots of administration mouthpieces.

The fundamental case against the kind of news management, restriction, control, and censorship which has been practiced recently is, quite simply, that it impairs the constitutional rights of a free press and hence poses a potential danger to our form of democratic and representative government. No people can be really free if its press is spoon-fed with government pap or if the news which provides a democracy with the rationale for its actions is so controlled, restricted, managed, or censored that it cannot be published.

The blatant methods used by the administration and its tampering with the news deserve considerably more criticism and discussion than they have received.

Representative JOHN E. MOSS, of California, Democratic chairman of a special House Subcommitee on Government Information, who has been one of the critics, pointed out, quite correctly, that the Nation's press should lead the discussion. He viewed with some concern the restrictions imposed on the press on the coverage of underground nuclear tests in Nevada, secrecy about military space activities, a blackout of information about Soviet satellite efforts, and the manner and method of applying various news guidelines suggested by the administration during the Cuban crisis. "We have in the past few weeks," Mr. Moss said in late November, "experienced a degree of Government news management which is unique in peacetime."

Three newspaper organizations—the American Society of Newspaper Editors, the American Newspaper Publishers Association, and the National Editorial Association—have discussed the Government's restrictions and have warned against possible consequences: "We are concerned lest Government * * * look upon news of what the Government is doing, not as an honest report of what happened, but as a means to some desired end." The Nation will suffer "if it departs from its own tradition to imitate a totalitarian enemy, by regarding news not as news but as a weapon or other instrument of national policy."

The services and the technical press, which are familiar in detail with many of the military subjects that have been surrounded by a paper curtain in the Pentagon, have been particularly outspoken in their criticism. Their basic point is that the Government has withheld and is still withholding from the American people large amounts of pertinent information about which the Russian Government is fully informerd.

THE OBLIGATION OF THE PRESS

Is the press free from blame? Of course not. Too large a section of it, seduced by the friendship of the political high-and-mighty in Washington, by the blandishments of power or fame, or by the hope of scoops, color the news or pull their punches. Others, slothful by nature, have accepted the ease of the Government handout. And there are the reckless and irresponsible, who rush into print without first weighing the consequences of what they write in the balance of the national interest and on the scales of history. Yet none of these evils can be cured, save at a far greater cost, by restricting, managing, or controlling the news.

If we are to have a free press in a democracy, there are bound to be leaks; in fact, it is imperative that enterprising reporters continue to break through the wall of secrecy around government. When no leaks occur, I shall really begin to worry.

The fundamental obligation of a free press is to serve as a monitor of government. It must owe nothing, save fairness and truthfulness, to any administration. Its ultimate loyalty must not be to any government or any party in or out of office, but to the Nation, to the greatest good of the greatest number. In turn, the Government must recognize this higher loyalty and obligation and must understand that the American press has as great a stake in the welfare of the country and its security as the administration and that its responsibility for informing, for monitoring, for criticizing is paramount.

This does not mean, of course, that freedom is license. Time after time, in instance after instance, every responsible newspaper has withheld, temporarily or permanently, information that in its judgment would be inimical, if published, to the best interests of the Nation. But time after time newspapers have printed information that to the Pentagon or the State Department is classified. And sometimes the press has been wrong in its judgments.

Generalization about this issue is not possible. Each case has to be judged on its merits and the pros and cons weighed on the scales of the national interest. During World War II many of my articles were picked up by enemy propagandists and broadcast back to the United States or its fighting men in partial or distorted form. But critical articles which described the poor management and inefficiency of some of our replacement depots in Italy, the inadequacy of our tanks, and the perilous situation in the South Pacific during the early phases of the Guadalcanal campaign produced remedial action.

It can be argued, with some cogency, that things have changed since World War II and that in a world where nuclear suicide is possible, all information must be safeguarded. It is true that irresponsibility, sensationalism, and occasionally real breaches of security—all of them evils of a free press—may cause disproportionate damage in the atomic age. Yet it is also true that undue secrecy can pose greater perils.

Responsible newspapermen, for instance, will avoid, unless the Government approves it, the publication of detailed technical specifications of a new weapon, new radar, or other militarily useful devices if their publication would enable a potential enemy to crib from our developments. Yet even in such cases no clear line can be drawn in this scientific age, for scientific freedom and scientific development imply the free publication and exchange of virtually all scientific data. Normally, unless there are other counterbalancing considerations, the responsible reporter will avoid printing intelligence data with such exactitude and detail as to pinpoint the source of the information, unless that source is already known to a potential enemy or can be easily deduced. Similarly, commonsense requires the withholding—in areas of combat, like South Vietnam—of news of planned military operations before they actually occur. The responsible newspaperman may also withhold, in delicate and critical situations, detailed discussions of contingency plans or the exact status of secret negotiations.

To decide whether to print or not to print is never easy, for there is no general guideline save the common good. In the age of megaton bombs, secret intelligence apparatus, and Communist plots there is clearly an ill-defined no-man's-land, a fuzzy boundary between what is and is not fit to print. The Government, like the press, is bound to grope through the fog of insecurity in this technological age; both are bound to make mistakes. It is not the isolated mistake but the pattern of attempted news management and control in the first 2 years of the Kennedy administration that is cause for concern.

There are two rules that can serve the Nation well. The first is that honesty, as full and complete as possible, is in the long run the best policy for governments as well as individuals. The second is that the artificial curbs and restrictions, the tacit censorship over the news that have existed should be removed. Contracts, official and unofficial, formal and informal, between government and press at all levels should be encouraged, not monitored or discouraged or limited.

If the ultimate power is to continue to rest in the people, the people's need to know must be filled by the press. Except in the case of formal military censorship in time of war, the press itself, with that great diversity of judgment which is the salvation of democracy, must decide what it will publish. Otherwise, its freedom, and ultimately the freedom of us all, is a mockery. Needless to say, this judgment should always be exercised—most of all in the atomic age—with a great sense of responsibility and dedication to the common good. News is not a commodity, but an inherent democratic right and a public trust.

[From the Washington (D.C.) Post, Mar. 29, 1963]

DEFENSE VERSUS POLITICS: WHAT MCNAMARA COULD DO

(By Roscoe Drummond)

When the Federal Government takes $60 billion a year from the pockets of the American taxpayers for defense and space, it is imperative that the country and the Congress accept the integrity of the decisions which are being made as to how and where that money is being spent.

If there is any one arm of the Government, more than any other, which has to be as pure as Caesar's wife, above the very suspicion of scandal, free from politics, free from the appearance of politics, free from the smell of politics, it is the Department of Defense.

The long line of distinguished Secretaries of Defense—from James Forrestal, Robert Lovett, Gen. George Marshall to Neil McElroy, Thomas Gates, and Robert McNamara—shows that it is the intention that it should be this way.

There is no doubt in my mind that Secretary McNamara and his chief deputy, Roswell Gilpatric, are exercising objective and businesslike judgment in awarding the vast defense contracts regardless of who gets hurt or who get helped.

But are there no valid suspicions, no circumstances which at times suggest that politics, favoritism, and influence are busily at work?

There are such suspicions, there are such circumstances, and they can well reach a point where they will erode confidence in the integrity of the Defense Department's decision-making.

Secretary McNamara is himself partly to blame.

How can the Defense Department expect to persuade the country that it is not in-

fluenced by politics in letting contracts when it participates in the pernicious practice of giving advance information, mostly to Democratic Members of Congress, so that they can announce the contracts affecting their States and thus calculatedly create the impression that their political influence brought these Government contracts to their constituents?

There is every reason to count McNamara as a man of integrity as well as large ability. But he is recklessly throwing away some of the trust in his integrity by tolerating a practice which deliberately spreads the very impression he is most seeking to avoid.

Senator EDWARD KENNEDY in Massachusetts and Gov. Edmund Brown in California are not the only Democrats who campaigned last fall on the promise that, with their party in power in Washington, they could do more for their States.

President Kennedy himself set the pattern. In West Virginia, urging the reelection of a Democratic Congressman, the President noted that the State was getting four times as much defense money as it was in 1960. In Pennsylvania, he stressed that prime-contract awards were up 50 percent and appealed for the election of Democratic gubernatorial candidate Richardson Dilworth so that this collaboration could continue.

Neither Mr. Kennedy nor other Democrats have any patent on this noxious practice of feeding advance news of defense contracts to politicians so they can use the information to misinform their constituents of how influential they are. It was done during the Eisenhower administration. It is one of the longstanding vices of Government.

But it's bad—and getting worse. If Secretary McNamara and others, who have the most say in awarding billions of dollars every year to Government contractors, do not put an end to it, they are going to erode the confidence in their integrity which is their most precious possession.

They simply can't preserve the substance of nonpolitical decisionmaking when they allow it to be poisoned by the appearance of political decisionmaking.

The President may be reluctant. The politicians will be annoyed. The most political minded in the White House will probably be furious. But McNamara could say, This must end—and get away with it. He needs to do so, I believe, if he is to escape a gathering and miasmic mess.

TRUTH-IN-LENDING BILL

Mr. DOUGLAS. Mr. President, I am pleased to announce another major convert to the cause of truth in lending, the bill which 20 members of the Senate have sponsored to require the full disclosure to consumers of the costs of personal credit.

On Friday, March 22 the American Banker, the leading trade newspaper for the commercial banking and finance industry, published an excellent article by their Washington editor strongly supporting the truth in lending bill.

Moreover, the American Banker article ably refutes the objections that the American Bankers Association has raised against the truth in lending bill. I certainly hope that this editorial foreshadows a reversal of the American Bankers Association's present opposition to the truth in lending bill. I know that the editorial in the American Banker newspaper reflects the sentiments of the many individual bankers who have privately expressed their support for this bill to me, and I now hope that the American Bankers Association will join the other leaders in the consumer lending industry—credit unions, mutual savings banks, and savings and loan associations—in supporting our efforts to enact the truth-in-lending bill.

Mr. President, I ask unanimous consent that the full text of the American Banker article be printed immediately folllowing my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Banker, Mar. 22, 1963]

TODAY: HONEST CREDIT DOLLAR—THE CASE FOR DISCLOSURE

(By Raoul D. Edwards)

WASHINGTON.—Through the ages, the question of interest has occupied a great part in the minds of men. Credit is a commodity—although the early Christians considered it, instead, an evil—and in most eras and ethics, within most ethical frameworks, credit has been considered to have its rightful place.

What that price should be has been debatable. In the earlier years of the industrial revolution, however, there gradually revolved a business oriented feeling that 6 percent was a normal justifiable rate for the then-standard business loan, of short-term orientation. There have been—and still are—times and places where rates go much higher. But in this country, at least 6 percent has become the effective, and in many cases the legal, ceiling.

This, however, came about during a period when the average man did not use credit, when the installment loan was unheard of. As newer types of loan came to the fore, it was discovered by lenders that the added risks and added work involved in such loans demanded higher rates.

Because of the belief that 6 percent was the justifiable maximum, lenders were forced to express new concepts in interest. The discount and add-on, revolving credit, and other types of interest expression have grown more dominant in recent years.

This, of course, creates problems. Many new users of credit are not sophisticated; they will not take the hard look at rates which the businessman will, and they are not able to solve the complex methods of interest rate expression that are current in much of the lending activity of the Nation. In some instances, these new users of credit are being imposed upon, especially on the retail level.

Taking a long, hard, second look at the "truth in lending" proposal of Senator PAUL DOUGLAS, Democrat, of Illinois, we are inclined to believe that this measure not only makes sense, but is in the interest of the commercial banking industry and the public.

Those who know that we support the dual banking system, and the careful system of checks and balances which comprises this Nation's safeguard against too-rigid or too-domineering controls of the National Government, may feel that this is a departure from the concept of States rights and thoughtful decentralization of controls.

Were the States doing the job Senator DOUGLAS intends his bill to do, we might go along with this; but the States are not doing that particular job, and we are inclined to think that Senator DOUGLAS is right in insisting the job must be done.

There is no valid reason for maintaining that a borrower should not have an accurate and understandable outline of what credit is costing him. Credit—the use of money—in a sense is a product, and today, when banks and other lenders are actively competing for customers who are relatively unsophisticated, it is proper that the person buying the use of money should know what it costs him.

Banks in general do a much better job of informing people as to these costs than do most lenders. Banks, at least, supply the borrower with the dollar amount of the interest charged, and they supply a rate accurate on the original balance.

But many other lenders not only present exceedingly complicated rate structures, but in many cases hid substantial portions of the interest costs in various types of charges. Furthermore, there are some credit sellers, notably in retail stores, who never give a breakdown as to what constitutes the cost of an item, and what constitutes the cost of credit.

Anyone who carefully hid, or refused to disclose, the cost of a product, would wind up going out of business. Why, then, should credit be any different?

The charge is leveled that the Douglas proposal, if approved, would create a new and vast OPA-style Federal supervisory body. Not so. The bill assigns to the Federal Reserve Board the task of writing regulations governing accurate reporting of interest, and delineation of guidelines. But the bill does not set up any machinery to administer, supervise, examine, or control. It specifically holds that the only recourse will be by action brought by an individual borrower in civil action in the courts.

The charge is further leveled that there will be a large expense to business, and to banking. Actually, most banks are geared to do this already. They, in most cases, do provide the actual interest figure, and rate books are in existence which would enable a bank to supply the average interest cost on the average unpaid balance, for any installment note. The same in large part is true of other lenders.

With regard to this, banks will be under far less pressure to change than will retail lenders, auto firms, and the like, many of which supply no adequate information of any sort. "Costs so much a month"—what part of what is the cost of money and what is the cost for the car?

There have been charges that this bill will prove inflexible and harmful to some industries. Yet the bill specifically gives the Fed the flexibility to write regulations which will fit each industry as regulated, and which will allow for unusual situations. It is not a rigid approach.

Finally we come to the States rights objection. In only one State is any specific requirement that true costs be disclosed part of the law; that is Wisconsin. Many States have excellent laws now, laws which protect the borrower. But these laws do not provide for any way in which unsophisticated borrowers—which is to say, the vast majority of borrowers—will be able to compare credit costs or even accurately know what they are.

And the bill, as written specifically disclaims any intent to change any law; it specifically states that neither a creditor nor a borrower may escape State law or responsibilities under a contract because of this law, with the sole exception that the creditor is subject to penalties if he is shown to have failed to disclose, accurately and fully, costs of credit. A civil court so holds.

The bill seems a good one, if it remains as written, with a valid objective, and without any features which will create any damage to the banking industry or to any honest grantor of credit. Indeed, to commercial banking, the bill might prove to have a positive advantage, since, as Senator DOUGLAS points out, bank rates compare quite favorably with those of most other lenders. Bankers know this now, but as rates are skillfully hidden today, the general public does not. Under full disclosure, the general public could not help but find this out, and banks all over the country could carry out to a greater degree their objective of "full service" banking to their communities.

TRAVELING ART EXHIBIT

Mr. PELL. Mr. President, last spring, working closely with Mr. John Walker, Director of the National Gallery of Art, I undertook an experiment in Rhode Island of bringing great art to our people. Because it has proved a very real success, I strongly recommend that a similar program be started on a nationwide basis.

Mr. Walker and Mr. Grose Evans, curator of the Index of American Design, prepared for me a collection of 16 collotype reproductions of great Renaissance paintings. These were shipped to Rhode Island where I arranged to have them exhibited in 19 city and town halls throughout the State for a period of 2 weeks each. They were deliberately scheduled in the city and town halls, because my purpose was not so much to attract art lovers to yet another exhibition, as it was to bring great art to the attention of thousands who might not otherwise make the effort to see it. I am happy to say that both of these purposes seem to have been accomplished.

On June 7, 1962, the traveling exhibition had its first opening in the city hall in Providence. There was broad press and television coverage which led to a large degree of popular interest. Since that day, the exhibit has traveled to 18 other cities and towns and I am proud to say has met with enthusiastic approval in virtually every community. I have received numerous telephone calls and letters praising the exhibit, both from public officials and from interested citizens. Many expressed the desire to purchase similar reproductions. Although it is of course difficult to pinpoint the exact number of people who viewed the exhibition, our unofficial estimate is upward of 15,000. To my mind, these facts serve as adequate testimony that the cause of art appreciation has been enriched. It is for this reason that I should like to see similar exhibitions inaugurated throughout the country.

There were naturally minor difficulties attendant upon a new program of this type. These have been called to the attention of the National Gallery, and I have been assured that they can be easily solved. The only problem that I would foresee in a national scheduling would be one of logistics. In my State, the paintings were driven from town hall to town hall in a station wagon. I can understand that the distinguished Senators from California or Illinois might have difficulty with this mode of transportation. But I am certain that some other financially reasonable method of transportation can be arranged in these larger States.

I would like to express my sincere thanks to Mr. Walker and Mr. Evans whose wholehearted cooperation was vital to the success of Operation Traveling Art. I think that together we have rendered benefit to many citizens in Rhode Island. I believe it would be to the cultural and esthetic interest of the United States to render this benefit to all our citizens.

Following is the list of paintings included in the traveling exhibition in Rhode Island: Bellini, "Madonna and Child in a Landscape"; Botticelli, "The Adoration of the Magi"; Agnolo Bronzino, "A Young Woman and Her Little Boy"; Duccio Di Buoninsegoa, "The Calling of the Apostles"; Giovanni Battista Tiepolo, "Madonna of the Goldfinch", and "Apollo Pursuing Daphne"; Giorgione, "Adoration of the Shepherds"; Francesco Guardi, "View on the Cannaregio, Venice"; Pietro Perugino, "Crucifixion With Saints"; Ralphael, "Alba Madonna," "Saint George and the Dragon," and "The Small Cowper Madonna"; Canaletto, "Venice," "The Quay of the Piazetta," and "The Square of St. Mark's"; Ercole Roberti, "Giovanni II and Ginevera Bentivoglio"; Tintoretto, "Christ at the Sea of Galilee."

The following schedule was in effect: June 7–18, Providence City Hall; Pawtucket City Hall, June 20–July 3; Burnside Memorial Building, Bristol, July 6–20; Barrington Town Hall July 23–August 3; Westerly Town Council Chamber, August 6–20; Narragansett Library, August 22–September 5; Newport City Hall, September 7–21; Coventry Town House, September 24–October 8; East Greenwich Library, October 10–24; Warwick City Hall, October 26–November 9; West Warwick Town Tall, November 13–27; Johnston Town Hall, November 29–December 13; Scituate Town Hall, December 17–31; Cranston City Hall, January 3–17; East Providence City Hall, January 21–February 4; Central Falls City Hall, February 6–20; Cumberland Town Hall, February 23–March 8; Woonsocket City Hall, March 11–March 25; Cranston City Hall, March 27–April 10.

WILL CLAYTON, FORMER ASSISTANT SECRETARY OF STATE, WINS BROTHERHOOD AWARD

Mr. YARBOROUGH. Mr. President, the Houston, Tex., chapter of the National Conference of Christians and Jews has presented a brotherhood award to a distinguished American, Mr. W. L. Clayton.

Mr. Clayton, statesman, philanthropist, former public servant as Under Secretary of State, and a cofounder of Anderson, Clayton & Co., the subject of a fine biography, the chief architect of the Marshall plan, now has a prized interfaith award to add to his long list of honors.

I ask unanimous consent that the following news articles concerning the latest honor to come to Mr. Clayton be placed in the RECORD: An article entitled "Will Clayton Gets Interfaith Award," published in the Houston Post of March 15, 1963; and an article entitled "Clayton Receives Plaque at Brotherhood Gathering," published in the Houston Chronicle of March 15, 1963:

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Houston Chronicle, Mar. 15, 1963]

CLAYTON RECEIVES PLAQUE AT BROTHERHOOD GATHERING

(By Nelson Antosh)

William L. Clayton, an 83-year-old Houstonian who has long studied problems of the world and man, was honored Thursday night for his contributions to interfaith understanding.

District Judge Wilmer Hunt, a Catholic, presented a plaque to Clayton, a Protestant, before 850 persons attending the 14th annual Brotherhood Award dinner of the Houston Chapter of the National Conference of Christians and Jews in the Shamrock Hilton Hotel.

The Houston chapter meets annually to honor Houstonians for their work in bringing people of different religions together.

"We pay tribute tonight to a man who has risen from the genteel poverty of a Mississippi cotton farm to the opulence of an international merchant, a man whose public life extends from a deputy court clerk to Under Secretary of State, and a man whose capacity for work brought him from a court reporter at 15 to the strong, fit, much-traveled world leader at 83 that he is today," Hunt said.

"Houston has been no stranger to his benevolence," Hunt added. He cited Clayton's work for churches, educational institutions, cultural societies, hospitals, and slum clearance.

"He has a real and continuing part in the great drama of our time," Hunt said. The plaque cited "distinguished service in the field of human relations."

Brooks Hays, former Arkansas Congressman and now special assistant to President Kennedy, was the guest speaker.

"Clayton is unique in that he symbolizes the concern for both sound domestic and international movements," Hays said.

He also said there "ought to be a wall between church and state. But a free commerce of ideas must be maintained across that wall.

"If we are to fulfill the hopes of the world, we must first fulfill our own faith," Hays said.

Clayton, of 5300 Caroline, is board chairman and a cofounder of Anderson, Clayton & Co., world's largest cotton merchandising firm.

He was Assistant Secretary of Commerce from 1942-44, Assistant Secretary of State in 1944–45 and Under Secretary of State for Economic Affairs in 1945–47. Clayton has also served the Government in a number of advisory capacities.

He is a member of the Common Market Committee of the Atlantic Institute and the National Export Expansion Council by appointment of President Kennedy.

Houston oilman, R. E. (Bob) Smith, Chevy Chase, was banquet chairman.

[From the Houston Post, Mar. 15, 1963]

WILL CLAYTON GETS INTERFAITH AWARD

(By Bill Barron)

W. L. Clayton, the Mississippi farmboy who became an international merchant, received the Houston Chapter of the National Conference of Christians and Jews' 14th annual Brotherhood Award Thursday night "for distinguished service in the field of human relations."

About 850 people gathered in the Emerald Room of the Shamrock Hilton for an interfaith dinner to pay tribute to the 83-year-old Houstonian, who is former Under Secretary of State and cofounder of Anderson, Clayton & Co., the world's largest merchandising firm.

"He has a real and continuing part in the great drama of our time," said District Judge Wilmer Hunt who presented the award to Clayton.

Judge Hunt said Clayton "has preached what is so difficult for us to understand—that our safe ways of life are in danger in a world which is capsuled both in time and space and where continued peace the world over is not possible unless every part of the world enjoys to a significant degree the benefits of its civilization and a share of its bounty."

The award is given annually by chapters of National Conference of Christians and Jews, which was founded in 1928 to promote understanding and cooperation among Protestants, Catholics, and Jews.

Judge Hunt introduced Clayton, who received a long, standing ovation from those attending the dinner.

"There is much that is wrong in the world, and obviously perfect brotherhood, which means the elimination of all bigotry from the minds and hearts of men, is far in the future, but I believe we are on our way," Clayton said in accepting the award.

"I do not have to go back so far as my boyhood days to realize the great transformation which has come into the minds and hearts of the American people in this matter of brotherhood," he said.

He said the election of a Catholic President was evidence of this.

R. E. (Bob) Smith, Houston oilman, presided as program chairman at the dinner and Brooks Hays, special assistant to President Kennedy, was the guest speaker.

Hays, who is former president of the Southern Baptist Convention and a former Arkansas Congressman, told the group that "there must be openings in the wall of separation of church and State" to allow for more understanding.

"We must work hard," Hays said, "to see that minorities, racial and religious, feel at home."

He called Clayton "a great internationalist" and a symbol of the concern of leadership on international as well as domestic stability.

Clayton, a member of the Common Market Committee of the Atlantic Institute, was appointed to the National Export Expansion Council last year by President Kennedy.

AREA REDEVELOPMENT ADMINISTRATION DOES FINE WORK IN TEXAS

Mr. YARBOROUGH. Mr. President, I have been asked to have printed in the RECORD an address which I delivered at Malakoff, in Henderson County, Tex., last Saturday, March 30, at the Texas Clay Tile Co. dedication.

I ask unanimous consent that the address be printed in the RECORD to show the great achievements of the Area Redevelopment Administration in one section of our country.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE AREA REDEVELOPMENT ADMINISTRATION BUILDS NEW HOPE AND NEW JOBS

(Speech by U.S. Senator RALPH W. YARBOROUGH at the dedication ceremony of Texas Clay Tile, Inc., in Malakoff, Henderson County, at 10 a.m., Saturday, March 30, 1931)

Chairman Hawn, fellow Texans, fellow Henderson Countians, fellow Americans, friends, and neighbors, it is a great privilege to me to come back to my ancestral home county for this dedication of and to progress. In this county, I was born and reared and lived and voted until I was 24 years of age. These were the formative years of my life.

In participating in this dedication ceremony for this great industrial project here at Malakoff in Henderson County, I rejoice with you that my home county has trained its vision to the future. It is looking forward, not backward, in the determination of you people to grow with our State and Nation, in the mainstream of American life.

During the hearings in the 87th Congress on Senate bill 1, the principal author being that great Senator PAUL DOUGLAS from Illinois, and which I cosponsored and which created the Area Redevelopment Administration, I predicted that this bill would be one of the soundest examples of congressional action of recent times. Now, a little over a year and a half later, the fantastic ARA program in Texas proves the soundness of that earlier prediction. And this has happened in spite of the strongly organized opposition to the program. I can recall the organized opposition which called on many local chambers of commerce, urging every town and hamlet to stay away from that awful Federal program.

Coached hecklers directed out of Washington and New York, crawled into public meetings in east Texas in 1961 and 1962, to read prepared propaganda in the form of questions, which the opponents of A.R.A. hoped would embarrass the speakers who were attempting to tell the community leaders what tools the Federal Government had finally—under the Kennedy administration—made available to them, so that they could improve their economy and provide jobs for the thousands of unemployed and underemployed in east Texas. You will also recall the critical and violent editorials of one segment of the Texas press, fighting this beneficial law and its implementation.

It was during this struggle to get A.R.A. going in our State that I requested the Coordinator for Texas, Mr. Raymond C. Morrison, to meet me in my Austin office. He came late one night. It so happened that there was a small group even in Henderson County, my own home county, trying desperately to block the sincere efforts of our friends to make use of this Federal program.

Many here in Henderson County will remember that I called them at night between 10 o'clock and midnight, to tell them what was going on—that a small but powerful economic group was trying to take this great benefit away from them by organization and propaganda, and that unless east Texans got up and took an interest in the real development of their area, they would miss the best opportunity they had ever had to forge ahead economically through the establishment of new industries.

And these friends of mine did act—they crowded the courthouse at Athens at a later meeting and demanded that an organization be created to prepare an overall economic development plan for their county, our county. This county gave me my opportunity in life; I want to see it possible for it to offer opportunities to many other boys and girls, young men and women.

This new modern Texas Clay Tile plant is an example of area redevelopment in action. Built with a Federal loan of $422,500, a participating bank loan of a little over $100,000 by the National Bank of Commerce of Dallas, Tex., and with the rest of the funds raised here locally at Malakoff, to make up this $650,000 project, this new completed plant we dedicate today will give steady work to 60 more men. Much credit is due Dan Royall, Jr., and E. H. Gatlin, Jr., for their leadership in pushing all of this to completion.

Had they failed and had many others failed, there would be no modern $650,000 brick and tile plant in Malakoff—the finest in the world. And there would not be new jobs for more citizens of this area. There would be no expansion to the Norman Pottery Co. at Athens—there would be no synthetic marble plant and no southwest design office furniture plant in Jacksonville—no east Texas mineral survey by the bureau of economic geology of the University of Texas—no industrial park in Clarksville—no pickle plant in Detroit, Tex.—no Caddo Lake project which is destined to open up a whole new worldwide industry by making cattle feed and fertilizer out of algae that had gotten so thick the fishermen stopped fishing in what was once the most popular fishing spot in Texas. And had we not won the battle, there would be no possibility of an $11 million tire plant in Texarkana—no possibility of a $20 million steel plant in Cherokee County—or a $30 million Texas newsprint plant in Jasper County.

These are but a few of the great industries planning to come into east Texas. Some of the recently approved industrial projects, and many more being considered, will revolutionize traditional products. For example, the audioelectronics plant under construction at Crockett, Tex., will manufacture a training instrument that will enable common labor to perform semiskilled jobs. A new plant planning to move to Mount Vernon will revolutionize the old air-conditioning methods. The ARA pipeline is now full and within the near future new plants will spring up all over the designated areas of our State, east Texas, and the Rio Grande section.

One of the great leaders of east Texas is Arthur Temple, of Diboll, president of Southern Pine Lumber Co., who has said: "Those who want to sit or do nothing—get out of the way of the rest, as we are on the move. The way some of you talk, you would think our Government was controlled by the Russians." And so now the Temple interests are on the move with many new industries presently on the drawing board.

Fellow Texans, we are witnessing the industrial rebirth of east Texas, and the many other designated ARA areas. This is truly the renaissance of east Texas. I have said that ARA is the Magna Carta of the small town and this I believe you agree is true. I do not need to tell you that this vast area of east Texas has lost around 100,000 good citizens during the last 10 years. That is 10,000 people a year. Where did they go? They went to Dallas, Houston, or Beaumont, or other Texas cities. A few left the State, but for the most part, these former neighbors of yours added to the congestion of Texas cities, mainly Dallas and Houston.

My friends, the big towns have gotten bigger and the small towns have gotten smaller with resultant serious problems at both ends. No one has yet solved the problems of bumper-to-bumper traffic and juvenile delinquency—so common in our big urban centers. While this has been going on, the smaller towns and rural areas have witnessed the tragedy of no jobs and outmigration, boarded-up schools, closed churches, vacant stores and with it all despair and hopelessness. Look about you today. There is a different picture. There is hope and optimism with new job-creating industries. And this has happened in the short span of a little over a year and a half. This Malakoff area is in the middle of an Athens-to-Trinidad area that is growing in one industrial complex from the Trinity River to the heart of the county.

In my opinion, there is no more beautiful section of the United States than east Texas and every bit of it is accessible by some of the finest highways in the world. Soon there will be three magnificent new lakes built within some of the finest forests in the world; 600,000 acres of these timbered lands are within our well run national forests in Texas.

It is my conservative opinion that these forests and lakes, McGee Bend, Toledo Bend, and Livingston, will attract millions of tourists a year. Nearly 90 million tourists visited the national parks last year. It is because of this that ARA has approved a $700,000 motor hotel for Woodville and a $500,000 motel for Naples. These are being built with local community stock sales, bank loans, and a loan from ARA. The East Texas Tourist Association is organized to promote east Texas and the increase in tourism will demand more and more facilities of all sorts.

There will be magnificent resort hotels on these new lakes. These will contribute

greatly to the economic uplift of all the counties. New and expanded cultural activities in the field of music, arts and crafts, sports and drama, will develop and these will bring thousands from the big cities to this playground of the Southwest. The balance of trade will be more favorable to east Texas.

For decades Henderson County has been building its own lakes, until we can now call our own home county "A land of lakes."

All this is happening despite opposition by those who gave way to groundless fears. If all our people will put away their fears and take counsel of their hopes and aims for progress and prosperity and full employment, think how much faster this vast improvement would come. If everybody worked at it, it would gallop home.

Under the ARA program, Federal money is loaned on a security to build private plants where the project is feasible, as in the case of this clay-tile plant. No U.S. money is given away to private plants. But in the field of public improvements, where the town or county is unable to build a water or sewage system or other public improvement, alone, then ARA, in event of feasibility, will make a matching grant, giving part of the money while the local town, city, county, or district puts up the matching money to build the badly needed public facility. It is a sound program.

I congratulate Henderson County in its leadership in area redevelopment. The Area Redevelopment Act was the first act of President John F. Kennedy's New Frontier for economic progress for whole areas of America. As I have stated, the Area Redevelopment Act provides for Federal repayable loans to private industries, and also matching grants to public authorities. These types of capital investment and industrial feasibility know-how, advanced by the Area Redevelopment Administration, will enable the east Texas counties to offer jobs at home attractive to the youth of east Texas. My native east Texas has a rich soil, ample rainfall, fast-growing forests, abundant supplies of the fuel minerals—oil, gas, and lignite.

Its labor is not surpassed in the whole world. All that was needed was the know-how and capital to bring all the rich resources, human and natural, into a productive combination, in order to halt the flight of the population, and build a rich economy at home. No longer will east Texas be an underdeveloped area, either in Texas or the Nation.

For more than a century, Henderson County has helped develop the farsighted leaders who have built Texas. Of the five statesmen of Texas history—Stephen F. Austin, Sam Houston, John H. Reagan, Jim Hogg, and O. M. Roberts, three got their governmental start and public push in Henderson County. John H. Reagan, "the old Roman," began here, as a surveyor, a young lawyer over at Old Buffalo on the Trinity, now a ghost town, and as a district judge. O. M. Roberts, "the old alcade," was elected district judge of this district and held court under an old oak tree on the courthouse square at Athens. Jim Hogg, "the great Commoner," won his first district office as district attorney with the help of a large Henderson County vote, and helped build his fame in the Athens courthouse, on the road to his immortal fame.

In this day, as in past generations, the forward-looking people of Henderson County are moving again. I am extremely proud of you.

Let me remind you that ARA with its attractive industrial financing program, has nearly $150 million in new potential industries for Texas. This means that the Federal program is speeding up the normal industrial expansion by many times. Through the efforts of the coordinator, investors, management and idea men, are getting together to build new plants with the ARA long-term, low-interest loans. The Texas ARA office is a beehive of activity. It is really a nerve center for one of the most significant total developments of any region in the world today. This is exciting and thrilling, for involved in this is the welfare of not only east Texans and Texans, but our whole country as well. And I believe that our area coordinator for Texas, Ray Morrison, is the ablest ARA coordinator in the Nation.

We are now engaged in building a new and modern industrial plant, capable of competing with any other in the world. Through this we will not only put our people to work, but we shall save our freedom.

We will make America strong by our acts and deeds and words. This last best hope of the earth must prosper, for the safety of freedom and liberty everywhere is at stake.

America is more than a country, it is a faith and a hope and a dream. There has always been an unquestioned belief, that here in this new world, as the shackles and servitudes of the past were put away, there would arise a great and glorious society. You here are helping build that great and glorious society. Here mankind can reach up to a higher stone on the road of human progress. In that spirit and in that belief, we dedicate this plant.

THE FEDERAL BUDGET COULD AND SHOULD BE CUT

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD a press release prepared by me entitled "The Federal Budget Could and Should Be Cut."

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

THE FEDERAL BUDGET COULD AND SHOULD BE CUT

If Congress does not cut the President's budget, as submitted January 17, Federal agencies in fiscal year 1964, beginning July 1, 1963, would be authorized to obligate and spend public money to a total of $195.1 billion.

This sum is almost beyond comprehension. But the facts are:

	Billions
The President requested new appropriations and other obligational authority (such as back-door spending) totaling	$107.9
This is in addition to unspent balances carried over in appropriations and other obligational authority (such as back-door spending) enacted in prior years totaling	87.2
Total available to obligate and spend	195.1

This authority to obligate and spend $195.1 billion in public money, as provided in the President's budget now pending in Congress, is shown by principal agencies and departments in the following table:

Authority to obligate and spend, fiscal year 1964, as proposed in President's January budget message

[In millions of dollars]

Departments and agencies	Unexpended balance, start of year	New obligational authority requested	Total availability
Executive Office of the President	2	33	35
Funds appropriated to the President (except for foreign aid)	782	24	806
Foreign aid	21,273	5,408	26,681
Military assistance	(2,360)	(1,480)	(3,840)
Economic and other assistance	(18,913)	(3,928)	(22,841)
Department of Agriculture	3,011	7,929	10,940
Department of Commerce	1,106	965	2,071
Department of Defense:			
Military functions	30,817	52,181	82,998
Civil functions	343	1,146	1,489
Department of Health, Education, and Welfare	2,280	7,158	9,438
Department of the Interior	519	1,279	1,798
Department of Justice	34	355	389
Department of Labor	335	527	862
Post Office Department	377	565	942
Department of State	98	362	460
Department of the Treasury	420	11,297	11,717
Atomic Energy Commission	1,469	2,893	4,362
Federal Aviation Agency	550	810	1,360
General Services Administration	620	659	1,279
Housing and Home Finance Agency	12,497	829	13,326
National Aeronautics and Space Administration	2,431	5,712	8,143
Veterans' Administration	888	5,580	6,468
National Science Foundation	303	589	892
Small Business Administration	325	215	540
Tennessee Valley Authority	562	44	606
Other executive branch	6,037	1,150	7,187
Legislative and judicial branches	77	218	295
Total	87,157	107,927	195,084

TO SPEND $98.8 BILLION

From this $195.1 billion total in authorizations to obligate and spend public money, the President in his budget message said Federal agencies during the coming year would actually spend, in terms of checks issued, $98.8 billion.

Of this $98.8 billion in actual spending, $42.4 billion would be spent out of old balances being carried over, and $56.4 billion would be spent from new 1964 appropriations and other authority to obligate and spend public money now pending before Congress.

APPROPRIATION AND EXPENDITURE CUTS

There are more than 800 budget accounts from which expenditures would be made in fiscal year 1964. They show funds requested in the new budget, balances carried over from prior years, or both.

Examination and evaluation of each of these accounts leads to the conclusion that (1) the President's budget requests for $107.9 billion in new appropriation and other spending authority could and should be reduced by at least $12 billion. This would reduce the total to not more than $95.9 billion, and (2) the President estimated that $98.8 billion actually would be

spent in fiscal year 1964 from both the old balances and the new funds. This estimate could and should be reduced by at least $7.1 billion with actual expenditures held to not more than $91.7 billion.

These reductions in tabular form follow:

Summary of suggested reductions, fiscal year 1964

[In billions of dollars]

	January budget requests	Suggested reductions	Total, after reductions
Appropriations and other new obligational authority	107.9	12.0	95.9
Expenditures	98.8	7.1	91.7

SALE OF STOCKPILE EXCESSES

More than a year ago, in a news conference on January 31, 1962, the President expressed astonishment at the fact that the Government had overstockpiled so-called strategic and critical materials to the extent of $3.4 billion.

Since that time a special Senate committee has completed an investigation of the strategic and critical stockpile situation, and it is to be assumed that a special commission named by the President has made similar progress.

But these stockpile excesses to date have not been reduced. They are as large now as they were when the President brought the matter forcefully to public attention. They must be disposed of in a manner not to disrupt markets; but a start should be made.

The President in January this year estimated Federal revenue in the coming fiscal year at $89.6 billion, exclusive of proposed tax revisions and reductions. Proceeds from the sale of excess stockpile materials could and should be used to increase Treasury receipts.

If general fund receipts were increased by substantial sales of strategic and critical stockpile excesses, and expenditures were held to $91.7 billion or less as suggested, the Federal budget could be brought into virtual balance, without tax reduction.

APPROPRIATIONS

Neither war nor depression emergency confronts us at this time. The President, in his economic report to Congress, January 21, 1963, (p. XII) said: "I do not expect a fifth postwar recession to interrupt our progress in 1963." He repeated this view on March 21.

But his budget requests for the coming fiscal year, totaling $107.9 billion in new spending authority, are unprecedented in peace or depresssion—or any other time except in the peak of World War II. They contemplate no effort to balance the budget in the foreseeable future. The debt is climbing well above $300 billion.

Restoration of confidence in the Nation's fiscal position is sorely needed at home and abroad. At home 100-cent dollars (on the 1939 index) are now worth about 45 cents; and foreigners are continuing to withdraw our gold at a dangerous rate.

Substantial reduction in the budget requests, which are pending before Congress for action in the next few months, and efficient control of necessary Federal expenditures would be moves to serve the purpose of restoring confidence in Federal fiscal stability.

The reductions totaling $12 billion in new appropriations and other expenditure authorizations suggested in this statement should be regarded as the minimum to be desired. They are based on the following considerations:

1. Relative need for the program or objective involved.

2. Could and should the program or objective be eliminated or reduced in view of the deadening deficit and debt position of the Federal Government.

3. Specific policy laid down by Congress.

4. Unexpended balances already available in appropriations and other obligational authority enacted in prior years.

Appropriation reductions

Generally, the $12 billion of suggested reductions in budget requests for new appropriations and other authority for Federal agencies to obligate and spend public money may be summarized categorically as follows:

	Billions
Foreign aid (including payroll costs)	$3.3
Federal civilian payroll costs (excluding foreign aid)	1.4
Proposed new programs and projects	2.2
Waste, extravagance and inefficiency (along with nonessential and postponable programs, projects, construction, etc.)	5.1
Total, appropriation reductions	12.0

These reductions are the sum of those which would be made on an account-by-account basis throughout the budget. They are totaled by principal departments and agencies as follows:

Suggested appropriation reductions by departments and agencies

[In thousands of dollars]

Departments and agencies	Fiscal year 1962 actual	Fiscal year 1963 estimated	Fiscal year 1964 January request	Suggested reduction	Fiscal year 1964 after reduction
Executive Office of the President	26,507	23,608	32,888	10,403	22,485
Funds appropriated to President (except foreign aid)	53,350	929,200	24,100	75	24,025
Foreign aid:					
Military assistance, funds appropriated to President	1,577,000	1,325,000	1,480,000	976,800	503,200
Economic assistance	2,936,809	7,063,225	3,927,932	2,362,547	1,565,385
Funds appropriated to President:					
Grants and loans	(2,337,600)	(2,603,722)	(3,465,025)	(2,286,917)	(1,178,108)
International financial institutions	(171,656)	(2,121,656)	(111,656)	(25,000)	(86,656)
Peace Corps	(30,000)	(58,550)	(108,000)	(49,450)	(58,550)
Export-Import Bank		(2,000,000)			
Other programs (Agriculture, Commerce, and State)	(397,553)	(279,297)	(243,251)	(1,180)	(242,071)
Department of Agriculture	7,013,183	6,502,560	7,929,012	280,338	7,648,674
Department of Commerce	827,412	796,888	964,572	322,647	641,925
Department of Defense, military functions	48,170,275	49,961,119	52,180,637	2,080,447	50,100,190
Department of Defense, civil functions	1,015,784	1,092,517	1,145,629	129,693	1,015,936
Department of Health, Education, and Welfare	4,628,904	5,392,638	7,157,545	2,431,490	4,726,055
Department of Interior	928,637	1,129,810	1,278,595	245,828	1,032,767
Department of Justice	297,156	318,288	355,306	60,806	294,500
Department of Labor	643,645	351,292	527,220	226,432	300,788
Post Office Department	874,160	806,461	564,964	564,964	
Department of State	308,168	409,382	361,985	95,431	266,554
Department of the Treasury	10,204,088	10,820,721	11,297,032	33,524	11,263,508
Atomic Energy Commission	2,547,338	3,134,738	2,893,000	68,700	2,824,300
Federal Aviation Agency	728,863	755,503	810,100	75,560	734,540
General Services Administration	606,244	631,458	658,719	104,683	554,036
Housing and Home Finance Agency	861,291	797,524	829,410	223,640	605,770
National Aeronautics and Space Administration	1,824,930	3,673,313	5,712,000	600,300	5,111,700
Veterans' Administration	5,447,110	5,594,746	5,580,262	50,425	5,529,837
Other: executive branch	1,153,117	1,455,754	1,998,428	1,056,807	941,621
Legislative and judicial branches	188,338	226,263	217,876	32	217,844
Grand total	92,862,309	103,192,008	107,927,212	12,001,572	95,925,640

Unexpended balances

A hard look at unexpended balances, totaling $87.2 billion, already available for expenditure by virtually every major agency and department of the Government (shown at the outset) is the first requirement in consideration of every request for new funds.

Some of these balances could and should be rescinded. The firmness of obligations shown against many of them cannot be taken for granted. This is particularly true in accounts like those for foreign aid funds appropriated to the President.

Exclusive of any new funds that may be granted, balances alone range from $34 million for a major agency like the Department of Justice to $21.3 billion for foreign aid, and $30.8 billion for the military functions of the Department of Defense.

If new appropriations and other spending authority were added in the amounts requested, total funds available to executive agencies would range from $389 million for the Department of Justice to $26.7 billion for foreign aid, and $83 billion for military functions.

From the opening table in this statement it may be seen that balances in accounts for foreign aid should be given special attention. They total $21.3 billion in all accounts. And to this the President's budget

requests for all foreign aid programs would add $5.4 billion in new spending authority for a total of $26.7 billion.

Funds for foreign aid generally are made available in four areas: regular funds appropriated to the President for economic and military assistance and the Peace Corps; authorizations for international financial institutions; spending authority for Export-Import Bank; and appropriations, etc., for regular departments which become involved.

The balances totaling $21.3 billion in all foreign aid accounts together with new budget requests totaling $5.4 billion would make up this tremendous sum of $26.7 billion available for foreign aid in the coming year, under budget recommendations:

	Billions
Funds appropriated to the President for military and economic assistance grants and loans, and Peace Corps	$12.0
Funds authorized for international financial institutions	8.0
Funds authorized for Export-Import Bank activities	$6.4
Funds authorized for regular departments	0.3
Total foreign aid	26.7

This $26.7 billion in foreign aid funds, in terms of unexpended balances and new budget requests, is shown by programs in the following table:

Foreign aid spending authority, fiscal year 1964

[In millions of dollars]

Programs	Unexpended balance, start of year			New obligational authority	Total availability
	Obligated	Unobligated	Total		
Military assistance:					
Appropriations to President	944	30	974	1,480	2,454
"Reservations" in Defense Department	1,385		1,385		1,385
Total, military assistance	2,329	30	2,360	1,480	3,840
Economic and other assistance:					
Appropriations to President:					
Grants and loans	4,082	482	4,564	3,465	8,029
Peace Corps	30		30	108	138
Inter-American Development Bank		200	200	50	250
International Development Association				62	62
Economic and other assistance—Con.					
Appropriations to President—Con.					
International Monetary Fund		2,000	2,000		2,000
International Bank for Reconstruction and Development		5,715	5,715		5,715
Export-Import Bank	1,806	4,552	6,358		6,358
Department of Agriculture		31	31	215	246
Department of Commerce	13		13	16	29
Department of State	3		3	12	15
Total, economic assistance	5,933	12,980	18,913	3,928	22,841
Total, foreign aid	8,263	13,010	21,273	5,408	26,681

Of the $26.7 billion available for foreign aid, $14.3 billion is in the nature of backdoor spending authority (authority to spend from public debt receipts) for the International Monetary Fund, International Bank, Export-Import Bank, and the foreign investment guarantee program.

It should be noted further that there is a budget request for $2 billion in new backdoor spending authority for Export-Import Bank, but it is shown as a supplemental authorization for fiscal year 1963. This affects the balance for next year, but not the 1964 requests for new spending authority.

There is a 1964 budget request for $215 million for the Agriculture Department, but it is to reimburse Commodity Credit Corporation for expenditures already made. And there is $28 million in requests for expenditures by Commerce and State Departments, but contract authority and treaties are involved.

Foreign aid cut

The Commerce Department foreign grants and credits report of December 1962 (p. S-5) shows that from 1945 through June 1962, the United States spent a gross total of $105 billion in foreign aid. With current year expenditures, the total will approach $110 billion.

This $110 billion has gone out through grants, so-called loans, and other means to more than 100 nations and foreign areas reaching to the four corners of the earth. This Nation has played Santa Claus, banker, and policeman for the free world for 17 years.

There is no doubt about the fact that this foreign aid has contributed to our continuing deficits, the great increase in our debt, the high cost of our interest, and the need for high taxes. How long will it continue? There will always be those who will take the money.

We have experienced the ingratitude of some nations which have not hesitated to accept the largesse of our assistance and, as time goes on, the situation will grow worse, unless we sharpen our attitude. The time to start curtailing overall foreign aid is past due.

I suggest that the 1964 budget requests for $5.4 billion in new foreign aid funds be reduced by at least $3.3 billion. This would be a 66 percent reduction in new funds. It would leave $23.4 billion—$2.1 billion in new authorizations, and $21.3 billion in balances.

This foreign aid reduction would be in new funds to be appropriated to the President for military and economic assistance, the Peace Corps, and the Inter-American Development Bank. In addition, I shall vote against the 1963 supplemental bill for $2 billion more in Export-Import Bank funds.

Payroll cut

The $1.1 billion Federal pay raise act, signed last October 11, said:

"The departments and agencies, establishments and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this act to the fullest extent possible without seriously affecting the immediate execution of essential functions."

Instead of absorbing the pay raise, the budget shows that over the 2-year period, beginning last July 1, payroll costs will rise $1.8 billion, and the number of civilians employed by the Federal Government will rise by 86,000.

The Federal civilian payroll last year cost $14 billion. This year it is running at the rate of $15 billion. And next year it may be estimated at $15.8 billion.

Federal civilian employment in the year ended last June 30 totaled 2,484,654. The budget estimates employment this year at 2,534,041, and shows it for next year at 2,570,533.

The increase is general throughout the civilian agencies and departments. For example: National Aeronautics and Space Administration up 39.7 percent; Agriculture Department up 10 percent; Health, Education, and Welfare Department up 15.5 percent; Interior Department up 16.6 percent; Labor Department up 21.9 percent; Treasury Department up 10.4 percent; General Services Administration up 19.2 percent; Housing and Home Finance Agency up 11.6 percent; U.S. Information Agency up 12.5 percent.

And it is of special interest to note that in this year and next Commerce Department employment is up 15.5 percent. A year ago the Secretary of Commerce told a congressional committee that his Department could save tremendous sums by "doing away with jobs that ought not to be there."

When the statutory policy laid down by Congress in the pay raise act is applied to every budget account from which Federal civilian employment is paid, it can be concluded that Federal civilian payroll costs could and should be reduced by at least $1.5 billion.

Attrition among Federal employees through voluntary resignation, retirement, and death is running at the rate of 300,000 a year, and Federal employee pay is averaging about $5,800 a year. Absorbing the pay raise should be possible without impairment of essential functions.

Reductions in civilian payroll costs, based on account-by-account examination conforming to the policy fixed by Congress, are summarized categorically in the following table:

Reductions in civilian payroll costs for fiscal year 1964

[In thousands of dollars]

Category	January budget requests	Suggested reduction	Fiscal year 1964 after reduction
National security (including military, atomic energy, and other defense-related activities)	6,509,520	319,027	6,190,493
Foreign aid (including Export-Import Bank)	153,277	52,833	100,444
International affairs (including USIA)	233,183	38,935	194,248
Domestic-civilian	8,896,676	1,049,139	7,847,537
Total	15,792,656	1,459,934	14,332,722

New program cuts

Some 200 actions and proposals involving increased Federal obligation of public money and credit can be documented in Presidential communications to Congress in the past 2 years; 30 or more new programs and projects appear in January requests for initial funds.

Exclusive of new construction starts under old programs these new programs are in the budget for $2.2 billion in appropriations and other spending authority, and it is estimated that they would spend $0.7 billion in fiscal year 1964.

First year authorizations and expenditures for new programs almost invariably are small. They finance establishment of the organization, and open the doors for increased expenditures in the future. Among the new proposals are:

New proposals, fiscal year 1964, requested in the President's January budget message

[In thousands of dollars]

Proposals	New obligational authority	Expenditure estimates	Proposals	New obligational authority	Expenditure estimates
Land-use adjustment program	27,000	27,000	Educational television facilities	7,000	7,000
Rural housing programs	107,350	56,850	Outdoor recreation fund	25,000	8,000
Defense food stockpiling	30,000	30,000	Youth employment opportunities	100,000	60,000
Civil defense programs	220,800	107,500	Urban transportation assistance	100,000	10,000
New education program	1,215,170	143,600	Comparability pay adjustment	200,000	200,000
Hospital construction, area planning grants	35,000	5,000	Other	40,772	30,195
Aid to medical education	34,352	9,314			
Grants for comprehensive maternal and child health	17,250	17,237	Total	2,159,694	711,696

Some of these new proposals, such as a new Federal building for a National Agricultural Library which are included among the items in the preceding table, may be desirable, but they can wait until some other time when the Federal Government is not backed up against the wall of continuing deficits and rising debt.

And some of the new programs, such as urban transportation assistance are primarily matters of local and State concern. The Federal Government has no more money than the localities and the States for financing solutions to the problem.

It is suggested that all of these proposals for new programs and projects be eliminated or postponed. Requested appropriations and other spending authorizations in fiscal year 1964 would be reduced by $2.2 billion, and expenditures would be reduced by $0.7 billion.

Waste cuts

Perhaps there are some public works which may be desirable under better financial conditions, but it is suggested that starting any new construction projects under any program financed through the general fund of the Treasury, not absolutely essential at this time, be delayed until the Federal Government is in better financial position.

Federal highway projects are financed out of the highway trust fund, and are not involved in the deficit difficulties being experienced by the general fund of the Treasury. Therefore they are excluded from this discussion.

Exclusive of highways and projects related to military functions, new direct Federal civil public works alone proposed in the 1964 budget would cost more than $3 billion to complete (budget documents, p. 380). Funds for these projects in 1964 are in numerous accounts throughout the budget.

The budget proposals for new appropriations and other spending authority totaling $107.9 billion could and should be reduced by upward of a billion dollars through postponing starts on new public works projects which are not urgent.

In addition, for economy and efficiency, and elimination of waste and extravagance, the $12 billion reduction in appropriation and other spending authority includes a 10-percent cut in new money for Federal civilian construction projects already underway.

Along with all other civilian construction projects, this would apply to those of the National Aeronautics and Space Administration. This agency is requesting $800 million for this purpose to be added to $780 million in its construction account balance. The reduction in new funds for the construction item would be $80 million. There would still be $1.5 billion in new funds and balances.

I am suggesting also that employment by this agency be held to the current year's level. In the year ending last June 30 it employed 23,686 persons. Employment this year is more than 29,000 and next year it is estimated at 33,100.

This would be an increase of nearly 10,000 or 39.7 percent in 2 years. Payroll costs last year were $165 million. This year they are estimated at $240 million. Holding the payroll at this year's level would reduce appropriation requests by $59 million.

Space agency funds appear in two budget accounts. Through both accounts it is spending $2.4 billion this year. It will start the coming year, on July 1, with $2.4 billion in balances, and it is asking for $5.7 billion in new funds.

With new appropriations as requested, it would have a total of $8.1 billion. I suggest reduction in new funds for construction and personnel totaling $0.6 billion. The reduced total would still be $7.5 billion.

Including 1964 funds the Space Agency has programed $8¼ billion for the man on the moon project alone. Far more will be spent, of course. The total cost has been estimated at all the way from $20 to $40 billion.

For an agency with so much money to spend, which is putting great emphasis on sending a man to the moon, constant and rigid policing against extravagance, waste, inefficiency must be a primary requirement at every level of administration.

Certainly we must provide adequate defense for this Nation, but neither the space agency nor the military is sacrosanct. Demands upon them for achievement of objectives are not license to tolerate waste, extravagance, or inefficiency.

Balances in accounts for the Space Agency and military functions on July 1 will total $33.2 billion. Together they are asking for $57.9 billion in new funds. This would give them a total of $91.1 billion. Together they expect to spend $55.2 billion in the coming year.

The President has requested $52.2 billion in new spending authority for military functions alone. This would be in addition to $30.8 billion in balances. The total available would be $83 billion. Expenditures for military functions next year are estimated at $51 billion.

I suggest reductions of at least $2.1 billion in new appropriations and other spending authority for military functions. The total remaining available for expenditure after such a reduction would be $80.9 billion—$50.1 billion in new funds and $30.8 billion in balances.

Waste, extravagance, and inefficiency in the military is obvious to most citizens who will look. More of it can be documented. For example, in the past few weeks the Comptroller General of the United States has reported:

"Military services are paying about $15 million a year in pay, allowances, and reenlistment bonuses to personnel with records of continued misconduct and/or inefficiency who are permitted to reenlist."

"Repair and maintenance of noncombat vehicles in the Department of Defense is costing $66 million a year more than it should * * * because of inefficiency in maintenance operations in the Army and Air Force."

These items of $15 million and $66 million are relatively small in terms of a military budget of a half-a-hundred-billion dollars. But they can be multiplied over and over again in similar cases of waste, extravagance, and inefficiency.

On an account-by-account basis, I suggest reduction in every category of military appropriations except retired pay and claims. I suggest reducing military pay funds by 2 percent and, with certain exceptions, reducing everything else by at least 3 percent.

The exceptions are military housing, the Secretary's emergency research fund and civil defense. All funds for new military housing would be eliminated and the remaining military housing funds cut 10 percent. The Secretary's $150 million emergency research fund would be cut by a flat $50 million.

Budget requests for civil defense total $300 million in all military accounts. I suggest reduction of $275 million, including the new Federal shelter construction program. This anticipates elimination of the program, and leaves only enough to liquidate outstanding obligations. If this program is vital, funds requested are not enough. If it is not vital, it should be eliminated.

The budget claim of $750 million saving in the Department of Defense this year is noted, and so is the belief by the Secretary of Defense that he can save billions a year.

But the fact remains that both expenditures and new spending authority for military functions are increasing by about $4 billion in 2 years. Claims that the increases are being reduced are not enough. Solid reductions in appropriations and other spending authorizations are needed.

There are increasing signs and complaints of waste, extravagance, and inefficiency in research grant programs under the Department

of Health, Education, and Welfare, the National Science Foundation, and elsewhere throughout the Government. These programs appear to be in real need of efficient administration.

Based on my own examination to date, I suggest that new funds for research grants, fellowships, etc., throughout the Government should be sharply reduced. For example, medical research programs under HEW for fiscal year 1964 are proposed at $900 million—an increase of $300 million or 33 percent over fiscal year 1962. I would suggest that these programs be held to the 1962 level.

Reasons for such suggestions as these with respect to reductions for economy and efficiency, and elimination of waste and extravagance can be documented in scores of the 800 budget accounts, exclusive of payroll, construction, foreign aid, etc.

There is no doubt about the fact that the $107.9 billion in requests for new appropriations and other obligational authority could and should be reduced by at least $5.1 billion in the interest of efficiency, and economy, and the elimination of waste and extravagance (along with nonessential and postponable programs, projects, construction, etc.).

EXPENDITURES

The basic reason for Federal taxes is to meet Federal expenditures. And Federal expenditures, under the Constitution, are made pursuant to appropriations enacted by law. Federal taxes are too high, but Federal appropriations and expenditures are higher.

Federal expenditures have exceeded the revenue in 27 of the last 33 years. Over this period the Federal debt has been increased from $16.2 to 304 billion; and interest on the debt has risen from $659 million to $10 billion a year.

The danger of inflation always lurks in Federal deficit financing. It is there now. The purchasing power of the dollar has dropped in every year since 1955. There will be another deficit next year unless expenditures are held to the level of revenue.

Deficits are determined by the excess of annual expenditures over annual revenue. Expenditures are made pursuant to appropriations enacted by law. Obviously the first thing to do is reduce new appropriations and other spending authority.

But with $87.2 billion of balances in prior appropriations and other spending authority already available before the first dollar of new spending authority is enacted, something more than cutting new appropriations and other spending authority needs to be done.

Cutting appropriations will directly reduce annual expenditures in accounts where there are no balances, and where annual appropriations do not exceed annual expenditures. But cutting appropriations does not necessarily reduce annual expenditures from accounts where any other situation exists.

Congress could rescind balances; and I think it should in many cases. It could enact an annual expenditure limitation on each appropriation account; I think it should, and Senate Concurrent Resolution 12, now pending before the Rules Committee, would provide for this.

Otherwise, effective reduction of annual expenditures from accounts where balances exist, and in instances where appropriations exceed estimated expenditures, must be left largely to administrative control in the executive branch.

There was a $3.9 billion deficit in fiscal year 1961. There was a $6.4 billion deficit last year. There will be a $9 billion deficit this year. Another deficit next year of $10 billion or more would produce a 4-year combined deficit of $30 billion.

Under these circumstances there is urgent and obvious need for the administration and the Congress to join in a concerted and effective effort to reduce Federal expenditures to meet realistic revenue estimates for the coming year.

My own examination and evaluation of the spending objectives represented in the more than 800 budget accounts leads to the conclusion that new appropriations and other spending authority could and should be cut by at least $12 billion from the $107.9 billion budget request to $95.9 billion.

Similar examination and evaluation, considering actual spending in the coming year under firmly obligated balances and other prior commitments, leads to the conclusion that expenditures in the year beginning July 1 could and should be reduced by at least $7.1 billion from budget estimates of $98.8 billion to $91.7 billion. The $7.1 billion reduction includes $1.8 billion in military functions and $0.4 billion in the Space Agency.

And there is no doubt that, under combined and sympathetic effort by both the legislative and the executive branches, Federal spending next year could and should be reduced still more without impairment of any essential Federal function.

Meanwhile, I suggest minimum reductions in expenditures which may be categorically summarized as follows:

	Billions
Foreign aid (including payroll costs)	$1.3
Federal civilian payroll costs (excluding foreign aid)	1.4
Proposed new programs and projects	.7
Waste, extravagance and inefficiency (along with nonessential and postponable programs, projects, construction, etc.)	3.7
Total expenditure reduction	7.1

These suggested expenditure reductions, as applied to Federal departments and principal agencies, are shown in the following table:

Suggested expenditure reductions by departments and agencies

[In thousands of dollars]

Departments and agencies	Fiscal year 1962 actual	Fiscal year 1963 estimated	Fiscal year 1964 estimated	Suggested reduction	Fiscal year 1964 after reduction
Executive Office of the President	28,993	24,713	31,496	8,986	22,510
Funds appropriated to President (except foreign aid)	33,220	340,077	433,365	197,175	236,190
Foreign aid:					
Military assistance, funds appropriated to President	1,390,011	1,750,000	1,450,000	478,500	971,500
Economic assistance	2,371,745	2,261,657	2,116,949	824,744	1,292,205
Funds appropriated to the President:					
Grants and loans	(1,836,297)	(2,100,000)	(2,300,000)	(764,974)	(1,535,026)
International financial institutions	(171,656)	(121,656)	(111,656)	(25,000)	(86,656)
Peace Corps	(11,409)	(47,000)	(80,000)	(33,000)	(47,000)
Export-Import Bank	(101,087)	(−224,253)	(−647,000)	(600)	(−647,600)
Other programs (Agriculture, Commerce, and State)	(251,296)	(217,254)	(272,293)	(1,170)	(271,123)
Department of Agriculture	6,426,745	7,298,496	6,319,353	244,314	6,075,039
Department of Commerce	585,791	736,370	881,957	108,304	773,653
Department of Defense, military functions	46,815,362	48,300,000	51,000,000	1,819,689	49,180,311
Department of Defense, civil functions	999,337	1,105,664	1,140,345	139,689	1,000,656
Department of Health, Education, and Welfare	4,215,450	5,047,540	5,742,092	905,243	4,836,849
Department of Interior	907,816	1,054,000	1,165,000	190,660	974,340
Department of Justice	294,441	316,805	336,956	44,612	292,344
Department of Labor	619,796	238,715	433,230	136,589	296,641
Post Office Department	796,876	802,461	553,524	579,464	−25,940
Department of State	305,426	442,820	347,504	70,824	276,680
Department of the Treasury	10,173,006	10,811,464	11,232,247	27,314	11,204,933
Atomic Energy Commission	2,805,631	2,870,000	2,850,000	67,900	2,782,100
Federal Aviation Agency	698,410	790,915	801,000	66,320	734,680
General Services Administration	444,893	532,246	594,392	74,848	519,544
Housing and Home Finance Agency	739,327	1,088,396	695,337	50,013	645,324
National Aeronautics and Space Administration	1,257,048	2,400,000	4,200,000	421,200	3,778,800
Veterans' Administration	5,391,592	5,532,182	5,470,072	29,704	5,440,368
Other:					
Other executive branch	908,069	988,742	1,462,764	603,957	858,807
Legislative and judicial branches	210,457	223,430	224,023	41	223,982
Total	88,419,442	94,956,693	99,481,606	7,090,090	92,391,516
Deduct interfund transactions	−632,656	−646,132	−679,243		−679,243
Grand total	87,786,786	94,310,561	98,802,363	7,090,090	91,712,273

Reasons and justifications for these suggested expenditure reductions follow generally the same pattern already described with respect to suggested reductions in the new appropriations and other authority to obligate public money.

The highly publicized Budget claim that domestic-civilian expenditure estimates, exclusive of military, space and interest, have

been "severely" limited and in the overall reduced, has been noted and carefully checked.

The fact is that—exclusive of 80-odd accounts in military, space and interest—the budget shows some 450 expenditure items increased in the coming year as compared with the current year level, against some 250 reduced. About 40 items are in approximately the same amounts.

Too many of the so-called reductions, such as those anticipating the sale of Export-Import Bank loans, and mortgages held by the Federal National Mortgage Association are questionable. They represent no restraint on Federal expenditures. And these are not the only questionable so-called reductions.

Expenditures for "agriculture and agricultural resources" have gone up in every fiscal year since 1960, but the budget for the coming year estimates that they will be reduced by $1 billion.

As a matter of fact, actual budget figures show categorical increases outside of military, space and interest, as follows:

	Millions
Natural resources up	$123
Commerce and transportation up	63
Health, labor and welfare up	698
Education up	$176
General government up	154
Allowances for pay adjustments, etc.	300
Total	1,514

Domestic-civilian expenditures have increased in every year since the end of the Korean war in fiscal year 1954. Exclusive of space and interest they have risen more than $7 billion since fiscal year 1960.

The record of Federal expenditures, by category, for the past 5 years is shown in the following table:

Federal expenditures, fiscal years 1960–64, broken categorically to show national security, foreign aid, etc., and domestic, civilian

[In millions of dollars]

Category	1960 actual	1961 actual	1962 actual	1963 estimate	1964 estimate
National security:					
Military functions	41,215	43,227	46,815	48,300	51,000
Atomic energy	2,623	2,713	2,806	2,870	2,850
Defense related activities	244	104	92	84	133
Total, national security	44,082	46,044	49,713	51,254	53,983
Foreign aid:					
Military assistance	1,609	1,449	1,390	1,750	1,450
Economic and other	1,477	2,126	2,372	2,262	2,117
Total, foreign aid	3,086	3,575	3,762	4,012	3,567
International affairs	354	374	446	613	563
Total, other than domestic, civilian	47,522	49,993	53,921	55,878	58,112
Domestic, civilian:					
Space research and technology	401	744	1,257	2,400	4,200
Agriculture and agricultural resources	4,882	5,173	5,895	6,731	5,696
Domestic, civilian—Continued					
Natural resources	1,714	2,006	2,147	2,380	2,503
Commerce and transportation	1,963	2,573	2,774	3,325	3,388
Housing and community development	122	320	349	525	276
Health, labor, and welfare	3,690	4,244	4,524	4,915	5,613
Education	866	943	1,076	1,361	1,537
Veterans' benefits and services	5,266	5,414	5,403	5,545	5,484
Interest	9,266	9,050	9,198	9,782	10,103
General Government	1,542	1,709	1,875	2,041	2,195
Allowances for pay adjustments and contingencies	--------	--------	--------	75	375
Total, domestic, civilian	29,711	32,176	34,499	39,079	41,369
Grand total	77,233	82,169	88,420	94,957	99,481
Deduct interfund transactions	−694	−654	−633	−646	−679
Total	76,539	81,515	87,787	94,311	98,802

In view of the continuing and worsening deficit financing state of Federal fiscal affairs, the excessive spending record over the years, and the size and character of the President's January spending proposals for the coming year, I earnestly suggest that the $107.9 billion in budget requests for new appropriations and other spending authority now pending before Congress be reduced by a minimum of $12 billion, and the $98.8 billion budget expenditure estimate for the fiscal year beginning July 1 be reduced by a minimum of $7.1 billion.

OPERATIONS OF INTERIOR DEPARTMENT UNDER SALINE WATER ACT OF 1952

Mr. JACKSON. Mr. President, because of the intense interest that the Senate has always shown in the progress of the program to make fresh water from saline and brackish sources, I ask unanimous consent that the letter summarizing the operations of the Department of Saline Water for calendar year 1962 be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 21, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Operations of the Department of the Interior during calendar year 1962 under the Saline Water Act of 1952 (Public Law 448, 82d Cong., 2d sess., as amended) are summarized in this letter which is my report required by the act. More detailed information is given in the "Saline Water Conversion Report for 1962" of the Office of Saline Water.

Under the provisions of the Anderson-Aspinall Act (Public Law 87–295), the Department's effort to develop economical methods for the desalination of sea or brackish water has been rapidly expanded, with greater emphasis being placed on basic and applied research for the development of new or improved processes.

In 1962, the Basic Research Division of the Office of Saline Water awarded 51 contracts with a total value of $3,059,823, compared to 38 contracts with a value of $376,983 in 1961. Fifty-six contracts awarded by the Processes Development Division totaled $4,259,940, compared to 26 contracts amounting to $1,336,028 in the previous year. Thus, in just 1 year, the level of effort in basic research has been increased 711 percent, and the applied research activities expanded by 219 percent.

This Nation's leadership in research for low-cost conversion of saline water to fresh was highlighted March 10, when over 4,000 people gathered on Point Loma, near San Diego, Calif., for the dedication of the 1-million-gallon-per-day saline water conversion demonstration plant.

The Point Loma plant is the third to be completed under the Department of the Interior's program to demonstrate the reliability, engineering, operating, and economic potentials of the most promising of presently-known processes.

The first such plant, now operating at Freeport, Tex., and providing that city with high-quality fresh water to supplement its natural sources of supply, also has a capacity of 1 million gallons of water per day. The second plant, located at Webster, S. Dak., serves that city with 250,000 gallons per day by converting brackish well water to fresh.

The State of California, through its department of water resources, provided 50 percent of the $1,608,000 construction cost of the Point Loma plant. Water produced by this plant is sold to the city of San Diego.

A $1,794,000 contract for the construction of a fourth plant was awarded by the Office of Saline Water on April 5, 1962. Located at Roswell, N. Mex., the plant is designed to desalt brackish underground water to fresh at the rate of 1 million gallons per day. Ground breaking ceremonies for this plant were conducted on July 10, 1962. Construction is proceeding on schedule with completion of the plant anticipated in April 1963.

A cornerstone inscribed with a quotation by Senator CLINTON P. ANDERSON, "Experimentation Is the Mother of Progress," was set on August 3, to mark the initiation of construction of a saline water conversion research and development test station on land donated to the Department by the State of North Carolina at Wrightsville Beach. A $825,000 construction contract provided for necessary test station facilities, such as a boiler plant, sea water intake lines, utilities supply, office building, maintenance building, a pilot plants test area, and related installations.

Construction of the pilot plants test station was virtually complete at the end of the year, and process development contracts had been let for three pilot plants which will be operated at the station to develop new or improved saline water conversion processes. The first of these, a 37,000-gallon-per-day unit based on a thin-film evaporator process, is scheduled to be in operation in March 1963. The second plant will have a 10,000-gallon-per-day capacity to develop a new hydrate process for demineralizing sea water, and the third facility will be a 15,000-gallon-per-day freezing process pilot plant.

A complete evaluation of the current status of freeze-demineralization processes has determined that the objectives of the Office of Saline Water to exploit to the fullest this promising desalination method can best be achieved through the construction and operation of a large pilot plant which will incorporate the most advanced experimental features and flexibility of design. Negotiations are currently underway, and a contract will be awarded early in 1963 for a

200,000-gallon-per-day research and development pilot plant for the accelerated development of freezing processes. This plant will fully qualify under the demonstration plant program.

Solar distillation sea water conversion pilot plants are in operation at Daytona Beach, Fla.; Georgia Institute of Technology, Atlanta, Ga.; and the University of Arizona, at Tucson. Electrodialysis pilot plants are being operated for the Office of Saline Water by the Bureau of Reclamation, Denver, Colo.; a distillation and a freezing process pilot plant are under test at Wrightsville Beach, N.C.; an experimental program to partially soften sea water by cation exchange as a method to reduce formation of scale in a sea water evaporator was tested with good results in a 5,000-gallon-per-day pilot plant at Freeport, Tex.; valuable data was obtained from the operation of a 35,000-gallon-per-day freezing process pilot plant at St. Petersburg, Fla.; and the heat-exchange system without a metallic heat-exchange surface was under development in a 48,000-gallon-per-day single stage vapor reheat distillation pilot plant at San Jose, Calif.

A new and significant basic research program linking the Department of the Interior's saline water conversion activities with the Atomic Energy Commission's Oak Ridge National Laboratory was launched during the year. Scientists have increasingly realized what a complicated substance water is, particularly when it is mixed with salts, and how little we know about it. Continued progress toward economical saline water conversion is likely to depend on finding out much more than we know now about the behavior of salt and water solutions. Through a transfer of $365,000 to initiate this program, the scientists and engineers of the Oak Ridge National Laboratory, are working for the first time on a nonatomic problem, by applying their skill and experience, in separating dissolved substances from each other, to a basic research study of the chemical properties of water and the technology of materials in aqueous solution.

During the year the first research-and-development contract to an oversea contractor was awarded to an English firm, serving to indicate the growing international interest and effort to develop economical conversion processes to meet the ever-increasing worldwide demand for fresh water. Other research proposals from firms outside the United States have been received and are being considered for financial support.

On March 28, the Department of the Interior sponsored a 1-day conference on saline water conversion. Nine technical papers were presented by Office of Saline Water contractors. C. F. MacGowan, Director of the Office of Saline Water, who arranged the successful program which attracted over 500 persons, provided me the opportunity to make the opening remarks. Others who participated in the conference included Senator CLINTON P. ANDERSON, of New Mexico, chairman of the Senate Interior and Insular Affairs Committee; former Secretary of the Interior Oscar Chapman; Under Secretary of the Interior James K. Carr; Assistant Secretary for Water and Power Kenneth Holum; and the Science Adviser to the Secretary, Dr. Roger Revelle. The large attendance at this meeting underscores the growing interest in the potential benefits to be gained through the development of economical conversion processes.

Through correspondence and visits, a marked increase in interest in the U.S. desalination effort by foreign nations was noted during the year. Closer liaison with the North Atlantic Treaty Organization's Parliamentarians Conference was established. The Rapporteur of the Scientific and Technical Committee of the Parliamentarians Conference has accepted an invitation to visit the United States to inspect our saline water conversion research and development projects.

Several new or improved processes now under development will soon be ready for demonstration plant programing, and processes already being tested in demonstration plants are being studied for use in plants of larger capacity. While these plants will be erected primarily to advance the science and technology in the field of saline water conversion, they will also provide a substantial amount of supplemental water for cities and communities, either in the United States or in foreign lands, where urgent problems of providing adequate fresh water exist.

In cities where there is no alternative source from which water can be obtained at a cost appreciably less than the cost of converted saline water, the Department of the Interior is interested in entering into cooperative arrangements whereby the Department and the city would share on an equal basis, both the capital cost and operation and maintenance, with the city to take over the plant at the end of the demonstration period and operate it without further Federal subsidy.

The provisions of section 4b of the Anderson-Aspinall Act were interpreted by the Solicitor of Interior in Opinion M-36637, dated May 7, 1962, to require that patents on inventions resulting from research and development work financed under the act be available to the general public without royalty or other restriction. Some contractors have protested this patent policy, but maximum patent rights are being obtained for the benefit of the general public.

The sea water conversion demonstration plants now being operated by the Office of Saline Water are producing fresh water in the range of $1-$1.25 per thousand gallons. As the new technology that has been developed is incorporated in multimillion gallons per day plants, the present cost of conversion will be reduced to 60 cents per thousand gallons or less—a price that will make fresh water from the ocean an economically competitive source of fresh water for many of the world's water-short areas.

Sincerely yours,

——— ———,
Secretary of the Interior.

THE 325TH ANNIVERSARY OF THE LANDING OF SWEDISH SETTLERS AT THE ROCKS, WILMINGTON, DEL.

Mr. BOGGS. Mr. President, the city of Wilmington, Del., has just completed a 2-day celebration of the 325th anniversary of the landing of Swedish settlers at The Rocks in Wilmington.

The ties between this country and Sweden have long been close, and this celebration not only emphasized those ties but strengthened them.

Prince Bertil, of Sweden, headed a visiting delegation from his country, while Vice President JOHNSON, representing President Kennedy, was gracious enough to appear Friday at the key ceremony at The Rocks.

The Prince was making his second appearance at a ceremony marking the landing of the Swedes. Twenty-five years ago he represented his father, the present King Gustav VI Adolf, at ceremonies attended by President Roosevelt.

A few words of history:

Two small ships, the *Kalmar Nyckel* and the *Fogel Grip*, landed at Wilmington three and a quarter centuries ago. Both had survived perilous crossings from Sweden.

They reached the Delaware River about the middle of March 1638, and soon after cast anchor before a ledge of rocks within the confines of the present city of Wilmington.

A salute of two guns notified the Indians that white men had come up the river. Later five chiefs of the Leni-Lenape Confederation agreed to sell their land to the colonists, who were headed by Peter Minuit.

The Swedish coat of arms was sent aloft on a pole and the land ceremoniously taken by the settlers as New Sweden. A fort then built at this spot was named in honor of the young queen, Christina.

Thus began the first permanent settlement in what is now Delaware. It was also the first permanent settlement in the Delaware Valley.

From this start came a stream of valuable contributions to the life of the young country—in culture, literature, industry, and statesmanship, not to mention a tradition of warmth and friendship.

I am pleased to say that the city of Wilmington and the State of Delaware responded wholeheartedly to the opportunity to mark this 325th anniversary. City and State officials did all they could to make their Swedish visitors welcome. Citizens were caught up in the spirit of the occasion and turned out in large numbers for the ceremonies.

Wilmington is a sister city of Kalmar, Sweden, and at a special program in the city council rooms Thursday night, city officials and representatives of Kalmar pledged a lasting friendship. Both Kalmar and Wilmington were officially cited at this time by the American Municipal League for their promotion of international friendship.

On Friday, a representative of organized labor in Sweden, Erik Johansson, president of Kalmar Local 39 of Municipal Workers, exchanged gifts and official greetings with Clement J. Lemon, president of the Delaware State Labor Council.

All in all, it was a wonderful time, a fitting celebration of a significant historical event in our country's, and Delaware's, early history.

While in Delaware, by the way, Prince Bertil was the guest of Mrs. Thomas E. Brittingham, Jr., of near Centerville, who is well known in Sweden because she and her late husband established scholarships for Scandinavian youths for study in American colleges.

Mr. President, the entire Swedish jubilee was an outstanding success and well worthy of recognition. I would like at this time to insert at this point in the RECORD the speeches of Prince Bertil and Vice President JOHNSON at The Rocks, as well as a proclamation by Mayor John E. Babiarz, editorials from the Wilmington Morning News and Evening Journal, a column by Morning News Columnist Bill Frank, and a Morning News story of March 30 summarizing the whole affair.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF PRINCE BERTIL, OF SWEDEN, AT FORT CHRISTINA MONUMENT, WILMINGTON, DEL., MARCH 29

Today, near the ledge upon which the Swedish colonists of 1638 first stepped ashore in America, I bring you, as I did 25 years ago, a heartfelt message of good will and friendship from the people of Sweden. I know that my father, King Gustav Adolf, and Queen Louise are with us in their thoughts.

We representatives from Sweden feel greatly honored by the presence of the Vice President of the United States. Your participation, Mr. JOHNSON, effectively underlines the importance of this occasion. The Governor of Delaware represents further evidence, as well as a direct connection with the traditions that bring us together.

Twenty-five years is a rather long period in human life. In a world of rapid change, it is also a respectable span in the history of civilization. This, I believe, is one of the main reasons why we have assembled again to commemorate the founding of the Swedish settlements on the banks of the Delaware, 325 years ago.

By thus stopping for a moment and listening to the past, we pay homage to an audacious and farsighted venture, to the statesmen who planned it, and to the pioneers who participated in it. We are also reminded of common roots and ancient bonds, and of the encouragements and responsibilities that this heritage implies.

The settlers of the little colony on the lower Delaware laid the first visible foundation for a friendship between Sweden and the United States that has never been broken. It has been strengthened by millions of family ties. An association of this type combines stability and challenge. The present era offers great opportunities for increasingly active mutual relations in many fields.

The Fort Christina Monument's new status as a national historical site will be deeply appreciated in Sweden. Through me, the Swedish people also extend its gratitude to the authorities and historical organizations in the State of Delaware and the city of Wilmington, for everything that has been done to preserve the landmarks of the Swedish colonial period.

The Swedish people's own contribution to the Fort Christina Monument, which was presented in 1938 to the State of Delaware and the people of the United States, will also, I trust, gain in meaning as the years go by. May the ship that carried the first Swedish colonists to the Delaware Valley, *The Key of Kalmar*, sail forever as a symbol of powerful bonds and the lasting possibilities of friendship.

REMARKS OF VICE PRESIDENT LYNDON B. JOHNSON, PLAQUE PRESENTATION, FORT CHRISTINA MONUMENT, WILMINGTON, DEL., FRIDAY, MARCH 29, 1963

Your Royal Highness, Your Excellencies, honored guests, ladies and gentlemen, it is my high honor to be here today as the personal representative of the President of the United States, John F. Kennedy. On behalf of the President—and all Americans—it is my added privilege and pleasure to welcome for these ceremonies, Your Royal Highness.

We are especially grateful, Your Royal Highness, that you have returned to be with us for this occasion, just as you were here 25 years ago on the 300th anniversary of the arrival of the first Swedish settlers in America.

In a real sense, our purpose in gathering today is not to commemorate age but to celebrate youth. If 325 years is ancient as time is measured by the lives of men, that same span is brief as time is measured in the lives of nations.

We of the United States are ever mindful of our Nation's youth. We are also ever mindful of the strength we have been permitted to build and the leadership we have been privileged to provide to the cause of freedom during the years allotted to us. We realize fully that our accomplishments have been feasible only because our heritage has been so greatly enriched by the contributions of many peoples from many lands who chose to make these shores the home for their aspirations to be free and to build a better life for themselves and their children.

We cannot, in fairness and honesty, weigh the contribution of any one people above that of others. But this we do know and this we can say: In the building of the industrial strength of our land, few areas have contributed so much—and none has contributed more—than this development in the valley of the Delaware where citizens from Sweden, and also from Finland, were the brave pioneers.

Many regions of our Nation have been enriched by the contributions by Swedish settlers. But here along the Delaware the special qualities of character and resourcefulness of those who came to us from the northern countries have contributed to the building of a memorable and impressive modern monument.

It is fitting that this epic phase of our heritage should be permanently commemorated by this monument built by funds subscribed from 200,000 Swedes. In 1638, the journey of the first handful of brave and daring explorers from Sweden required 3 months to cross the Atlantic. Today, that same Atlantic can be crossed in less than 6 hours. This is fittingly symbolic of the ties between our two countries which have always been friendly and which have grown closer and closer with the passing years.

It is my great pleasure now to present this bronze plaque to designate this Fort Christina Monument as a national historic site.

PROCLAMATION BY THE CITY OF WILMINGTON, DEL.

Whereas it is fitting that each generation be reminded of the struggles and sacrifices of those who made possible this blessed land of liberty and freedom; and

Whereas among those who built well for future posterity were the men from Sweden under Peter Minuit who landed at The Rocks, purchased land from the Indians, established their claim, and then set forth to develop it for the benefit of all who came to this part of the New World; and

Whereas new effort has been made to establish contact with men and women of modern day Sweden through sponsorship of Kalmar as a sister city; and

Whereas this method of communication has opened a new era of friendship, trade relations, and an increased desire to know each other better—

Now, therefore, I, John E. Babiarz, mayor of the city of Wilmington, Del., and honorary chairman of the Greater Wilmington Sister City Civic Committee, do hereby decree that Thursday, March 28, 1963, be proclaimed as Kalmar Day in Wilmington.

I further declare that in concert with His Excellency Governor Elbert N. Carvel, of the State of Delaware, who has proclaimed that Friday, March 29, 1963, be set aside as provided by State law to mark this significant anniversary, that the city of Wilmington wholeheartedly joins in observing Swedish Colonial Day.

I further urge that all citizens extend the hand of friendship to Vice President LYNDON B. JOHNSON and his Royal Highness Prince Bertil of Sweden and other foreign dignitaries who will gather here to honor the memories of their forefathers after 325 memorable years.

May the days of March 28–29, 1963, become as vividly impressed on the minds of all of us as was the day of June 27, 1938, when the tercentenary of the landing of the New Sweden Company was so ably observed.

JOHN E. BABIARZ,
Mayor.

[From the Wilmington Morning News, Mar. 24, 1963]

SKAAL, FRIENDLY SWEDES

(We are indebted to Olaf G. Sundin, president of the Hiab Co., of Wilmington, for the Swedish translation of this editorial.)

Three and a quarter centuries ago, Sweden planted a colony on the shores of the river called Christina. This became the first permanent European settlement in the Delaware Valley.

The Swedish colony didn't last too long but its wholesome influence has been part of this Delaware Valley ever since. The first Swedes brought with them their standards of fairplay, justice, and religious devotion—all now part of our American way of life.

Today, we, as the residents of what was New Sweden 325 years ago, welcome visitors from old Sweden—with the same friendship their ancestors received from the aborigines who once lived here.

We who now dwell in the Delaware Valley and on the shores of the Christina and Delaware Rivers are indebted to the Swedes of olden times. This is intertwined with our present day affection for the visiting Swedes of today.

We hope their stay in our State and city will be enjoyable and that out of this 325th anniversary jubilee will come a greater enrichment of American-Swedish friendship.

To our friends from Sweden, we raise our glass and say, "Skaal."

[From the Wilmington (Del.) Evening Journal, Mar. 27, 1963]

"VALLKOMMEN TILL DELAWARE"

To our Swedish visitors coming to America as friends, we say, "Welcome to Delaware."

Here in Wilmington the city and State authorities and the history-minded societies cannot, of course, attempt to reproduce Delaware's Swedish tercentenary celebration of 1938. But the warmth of the welcome is just as great as it was on a June day 25 years ago.

Nobody, certainly, would wish to see repetition of anything like the 6 inches of rain that fell on Prince Bertil and President Franklin D. Roosevelt that day.

Mr. Roosevelt nevertheless put it well that soggy day by the Christina when he said:

"'To this spot came the pioneers of Swedish blood. But in the succeeding centuries tens of thousands of others have come to our shores and added their strength and their fine qualities of citizenship to the American Nation. In every phase of our history, in every endeavor—in commerce and industry, in science and art, in agriculture, in education and religion, in statecraft and government, they have well played their part."

The Swedish-born John Ericsson is credited with inventing the screw propeller and designing the *Monitor* that defeated the *Merrimac* in Hampton Roads in 1862. The poet and historian, Carl Sandburg, born of Swedish parents, at 86 embodies today one of Sweden's major cultural contributions to America. Because of Sandburg, America knows Abraham Lincoln better.

Of late we have been told on good authority that the Swedish settlers brought to these shores that famous type of early American architecture, the log cabin. State Archivist Leon de Valinger, Jr., presiding at ceremonies at the Rocks, can be pardoned if

he finds some way to mention the Delaware log cabin he had moved to the State museum in Dover.

Nor let it be forgot that the Swedish settlers left no bloody record of battling the Indians along the Delaware. Swedish Governors were given orders not to use force on any persons—native or transplanted—except in self-defense.

What clear marks of Delaware's early Swedish settlers are still to be found? Not a great deal, maybe. Besides the creek named for the young queen there is the creek called Shellpot—from Skoldpadde (turtle). Delaware watermen—muskrat trappers and the like—call the common freshwater terrapin a "skillpot" without knowing they are using just about the only Swedish word still in the rural vernacular.

But for the chief and most enduring link with our Swedish past we must look down East Seventh Street to Old Swedes Church, where Swedish was the language used by a succession of 10 Swedish Lutheran ministers, among them Israel Acrelius, who wrote a history of New Sweden. As well as at the Rocks, the ceremonies at Old Swedes, amid the mossy old gravestones, can serve to connect once more, for us all, the past and the future on both sides of the Atlantic.

[From the Wilmington (Del.) Morning News, Mar. 29, 1963]

THEY THINK WE'RE WONDERFUL

(By Bill Frank)

OK, so you are disgusted with Wilmington as your native city, and you think your city is this and that and something else.

Well, my friends, wait a minute. Yesterday I was eavesdropping on some of the visiting Swedes who were talking about Wilmington.

So let's get a bit of their views:

First, there's Olle Nyman, he's basically a public relations man, and he's here with the exhibit from the old Swedish warship, *Vasa*, that sank in 1628 and was raised in the Stockholm harbor 2 years ago.

Nyman was telling some of his fellow Swedes, "I must say Wilmington backed us all the way. Everywhere I went, people were willing to help."

And of course, the very biggest bit of help that Nyman got was from the Delaware Air National Guard through the courtesy of Maj. Gen. Joseph J. Scannell, adjutant general.

There was this huge Vasa cannon over in Seattle.

It had to be moved to Wilmington for the opening of the Wilmington Swedish celebration.

General Scannell was approached. He said "Yes, the Air National Guard will lift it and deliver it."

No sooner said than done.

In case you didn't know, practically all of Sweden's officialdom is talking about this good will gesture.

Also from Nyman:

"I wouldn't dare leave this cannon in Stockholm unguarded. Yet, here I leave it in Wilmington for about 10 days, all by itself in Rodney Square, and nothing happens to it."

When I heard this, I looked at Nyman as if to say, "Look, friend, you don't have to spread the jam that thick on the bread."

So I asked around among other Swedes. They confirmed what Nyman said—it would have been dangerous to have left a Vasa cannon unguarded in a Stockholm square for any length of time.

What would have happened to it there?

Swedes shrugged their shoulders and said, "Well, it wouldn't have been good for the cannon."

"So you see," said Nyman, "here in your Wilmington, we leave this cannon unguarded and nothing happens. Wonderful city—your Wilmington."

Is Wilmington unkempt?

A few Swedes told me not to worry about that.

"All cities are unkempt these days," they said. "You should see some of our cities in the redevelopment process."

What about our historical sites?

"We have the same problem," a Swede from Kalmar told me. "We are trying to save them and there are those so-called progressive people who think old buildings stand in the way of progress."

Traffic?

Tage Forsberg, of Kalmar, one of Sweden's leading editors, looked at Wednesday's afternoon traffic jam and was thrilled.

"Magnificent," he said.

To him, traffic jams mean business.

Wednesday night, Mayor and Mrs. John E. Babiarz entertained some officials from Kalmar at their home.

From the Babiarz home, they could see the heavy shopping traffic.

The mayor was trying to explain about the heavy traffic and the problems of controlling it and all that.

But the officials of Kalmar pushed his explanations aside and said,

"This is wonderful. Lovely heavy traffic. We would love to have it all in Kalmar."

So that's how it goes. We look down our noses at our hometown; visitors gasp and rave.

Before this Wilmington Swedish jubilee comes and goes, a few comments about our mayor and Miles Frederick.

I've watched Mayor Babiarz get into the preparations for the celebration and I want to testify that he was up to the challenge and then some.

He caught the real spirit of the celebration; he was able to delegate authority and yet keep control of the whole situation so that practically nothing went wrong.

He displayed a finesse that was most unusual and he needed very little prodding in latching onto an idea and pushing it through to a conclusion.

As for Miles Frederick, I don't know how he manages to scamper around from post to post and still come up with some breath.

Frederick was the public-relations workhorse of this event.

And he had a time trying to keep two newspapers happy with their respective releases; trying to smooth over ruffled feelings of committee members and their kin and kith.

We don't have decorations for civilians in Wilmington but there ought to be a special one for Miles Frederick: "The Order of the Job Well Done."

[From the Wilmington Morning News, Mar. 30, 1963]

L. B. J. REMINDS JUBILEE NATION IS STILL YOUNG

Wilmington ended its 2-day salute to its 325-year past with a reminder of the Nation's youth among countries of the world from Vice President LYNDON B. JOHNSON yesterday.

"If 325 years is ancient as time is measured by the lives of men, that same span is brief as time is measured in the lives of nations," said JOHNSON.

"We of the United States are ever-mindful of our Nation's youth. We are also ever-mindful of the strength we have been privileged to provide to the cause of freedom during the years allotted to us."

The Vice President—who arrived late and left early—spoke briefly at a ceremony at The Rocks in which he presented a bronze plaque designating Fort Christiana Monument as a national historic landmark.

Yesterday was the anniversary of the landing of the Swedes at The Rocks on March 29, 1638, and the presentation was the high water mark of Wilmington's 2-day salute for the occasion.

It was a day which started with a luncheon in the Hotel Du Pont at 1 p.m. and ended with a dinner late last night at Longwood Gardens.

The sun remained at its brilliant best for the second day of the celebration, in sharp contrast to the heavy rain of the tercentenary celebration 25 years ago, a point repeatedly brought up by Sweden's Prince Bertil.

The ceremony at The Rocks was the heart of the 2-day program, and the most colorful.

In addition to the Vice President and Prince Bertil, it was attended by Ambassador Gunnar Jarring, of Sweden, Ambassador Richard R. Seppala, of Finland, the State's complete congressional delegation, officials of Sweden's Province of Jonkoping and Wilmington's sister of Kalmar, members of the State judiciary, the general assembly, city officials, and leading members of the clergy.

Crows lined the long walk into the small park dominated by the Carl Milles Monument; the American Rifles of the Delaware National Guard, dressed in their colorful colonial garb, and the Guard band provided additional color.

It was a program of short speeches, laying of wreaths, and exchanges of gifts, but three parts of the ceremony stood out:

The designation of Fort Christiana Monument and the nearby Old Swedes Church as national historic landmarks, with citations and bronze plaques designating them as such presented by the Vice President.

Acceptance by Gov. Elbert N. Carvel of a 200-year-old Swedish log cabin, transplanted from Price's Corner and completely restored in the park, as a gift from Mr. and Mrs. Harvey C. Fenimore, of Hockessin.

Dedication of the Hendrickson House on the Old Swedes property. The small stone house, built in 1690, was moved from its original site in Ridley Township, Pa., and rebuilt here.

The Vice President, originally scheduled to arrive at 11:30 a.m., didn't reach the Greater Wilmington Airport until 2:20 p.m. because of the special meeting of the National Security Council yesterday. He had to leave in the middle of the Old Swedes ceremony because of another commitment in Washington.

Four wreaths were laid at the monument—one each from Sweden, Finland, Wilmington and the Delaware Swedish Colonial Society. The latter, as was pointed out by the society president, Dr. Victor D. Washburn, is a custom carried out every year.

The succession of gift exchanging started Thursday continued yesterday, including the presentation of sterling silver plates to Vice President Johnson and Prince Bertil by Governor Carvel.

There was an overflow attendance in the Gold Ballroom of the Hotel Du Pont for the luncheon given by Mayor John E. Babiarz and city council.

After its late start, it proceeded smoothly, with a talk by Prince Bertil and the reading of Johnson's speech by William Owen of the State Department's section for Sweden and Finland.

Gifts were exchanged at the luncheon, as well.

The 2-day Delaware celebration ended on Pennsylvania soil, with the dinner at Longwood Gardens held as the annual meeting of the Delaware Swedish Society.

Approximately 250 attended the affair in the dining hall behind the Longwood Conservatory. Formal dress was optional, but the atmosphere was relaxed and informal.

Gifts were exchanged here, too, with the sculpture, "Sprite of the Brandywine," executed by Charles C. Parks presented to

Kalmar, and the society receiving a huge piece of crystal containing the key to Kalmar. Prince Bertil received a pewter bronze plaque from the society.

CAUSE OF UNEMPLOYMENT

Mr. SCOTT. Mr. President, 6.1 percent of the American labor force is out of work today. This is a shocking commentary on the inability of our economy to provide for our people. Although the present administration in Washington does not classify this period as one of recession, yet, be it remembered that at the bottom of the past recession—February of 1961—6.9 percent of the work force was unemployed.

In my own Commonwealth of Pennsylvania, the situation is far worse. There, 9.3 percent of the labor force is unemployed. Fifty-seven of our sixty-seven counties are classified as depressed areas.

I have discussed this matter in the Senate before and have made several proposals. I am urging the administration in Washington to issue a new Executive order that would require the U.S. Government to buy a larger proportion of its purchases from American producers.

I recently proposed also that companies in depressed areas get percentage advantages when they bid on Government contracts.

Today I would like to call to the attention of the Senate another problem which is aggravating the excessively high rate of unemployment in the United States and contributing to depressed economic conditions: the dumping of foreign steel on the American market.

For the past 5 years American steel producers have been hurt badly by imports of foreign steel. From 1.1 million tons in 1957, U.S. imports of steel had climbed by last year to 4.1 million tons.

It has been estimated that this rise in imports and the accompanying drop in U.S. steel exports have eliminated the jobs of 50,000 American steelworkers.

If the growing importation of steel products to the United States were attributed only to a superior quality of foreign steel, or to a universally lower price, there would be little ground for complaint.

Americans know that foreign workers get paid less. In 1961, for instance, American steelworkers drew $3.99 an hour in pay and benefits, while Luxembourg millhands, the highest paid in Europe, averaged only $1.47 per hour.

But American producers are willing to take their chances in the marketplace. They count on greater efficiency, greater productivity, and the high quality of our products to offset most of the lower wages in other countries.

However, in many instances this has not been possible because foreign steel is being unloaded at prices fixed by foreign cartels—prices which are substantially below those charged in the producers' home markets.

This is called dumping. As defined in international trade agreements, dumping occurs when a producer sells his products in a foreign country at a price below the one he charges in his own country and so low as to be injurious to producers in the foreign country.

As David J. McDonald, president of the United Steelworkers of America, said recently:

> The United Steelworkers of America believe in free trade under fair conditions. We are certain that, under such conditions, our steel industry can compete effectively with foreign steel companies under the labor contract standards we strive to maintain.
>
> But dumping is another matter which is of grave import to the United Steelworkers of America. If foreign producers are unloading excessive tonnage on the American market at prices unjustifiably under those set for their own domestic or other foreign consumers, then the statutory prohibition against such alleged activities should and must be invoked.
>
> No American steelworker should be confronted with the prospect of unemployment because of unfair trade practices by foreign producers.

The steel industry has recently turned to the Government for help under the law.

Last fall seven companies—Armco, Bethlehem, Colorado Fuel & Iron, Detroit Steel, Jones & Laughlin, Republic, and Youngstown Sheet & Tube—charged that producers in Japan, West Germany, France, and Belgium-Luxembourg were selling wire rods in the U.S. market at prices below those in effect in their home markets.

United States Steel lodged several complaints against producers in the United Kingdom, West Germany, Belgium-Luxembourg, France, and Japan on welded steel pipe. Kaiser Steel has lodged complaints against the Japanese sales of hot rolled sheets. And, most recently, United States Steel charged that producers in Japan are dumping commercial quality cold-rolled carbon steel sheets in the United States at prices as much as $40 per net ton under those charged Japanese consumers.

The U.S. Treasury has ruled in favor of the American complaints against mills in Belgium and Luxembourg on wire rods.

It is an open secret that dumping is going on and foreign producers are filing complaints against one another. The European Coal and Steel Community has lodged charges against Japanese and British producers, and the British have made charges against producers in other countries.

All of these countries have signed the General Agreement on Trade and Tariffs, known as GATT, which explicitly condemns dumping. All nations of the free world recognize that dumping is harmful and must be controlled.

I commend the American companies for filing their complaints under existing law because I am confident that they will be able to halt some of the dumping that is now going on.

But I believe that the Antidumping Act itself needs tightening and I have been in touch with the majority whip, Senator HUMPHREY, about legislation to accomplish that end. The Senator from Minnesota and I have sponsored this legislation before and I am hopeful that we can introduce legislation again in view of the most recent developments in this area.

I do not fear for American producers when the competition is legitimate. This may be hard to handle, but it is a fair and just development of the marketplace, and Americans have always faced such things squarely and come off pretty well.

But the situation in steel today is something else again. I believe it is the duty of the Congress to be sure that American producers, working without the sponsorship of their Government and working without the controls of cartels, will have at least an equal chance to compete.

REFORMS IN LABOR-MANAGEMENT RELATIONS

Mr. GOLDWATER. Mr. President, since the introduction of my bill (S. 87) to effect urgently needed reforms in the area of labor-management relations, my mail has brought many interesting communications on various aspects of the subject. There has been a great deal of questioning about the meaning and scope of section 14(b) of the National Labor Relations Act, and especially concerning how it deals with the so-called agency shop, a form of compulsory unionism now being widely mentioned in the Nation's press. It is my purpose here to cite the record on 14(b).

There is no question at all that Congress, in 14(b), intended to recognize that States have the right to outlaw "agency shop" arrangements—in which employees of a company who do not wish to join and support the union are forced nevertheless to pay initiation and monthly fees to the union or be fired.

Section 14(b) says:

> Nothing in this act [Taft-Hartley] shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.

On page 6675 of the June 6, 1947 issue of the CONGRESSIONAL RECORD is recorded the following statement on section 14(b) by Senator Robert A. Taft, sponsor of the Taft-Hartley legislation in the Senate, and a member of the Senate-House conference which approved the final version:

> Many States have enacted laws or adopted constitutional provisions to make all forms of compulsory unionism in such States illegal. As stated in the report accompanying the Senate committee bill, it was not the intent to deprive the States of that power.

Mr. President, this clearly leaves no room for question on the intent of Congress in its enactment of section 14(b).

But the intent to provide full States' rights in legislating on all forms of compulsory unionism is further emphasized in other segments of the legislative history of section 14(b). For instance, the report of the managers on the part of the House stated—with reference to section 13 of the House bill, H.R. 3020, and section 14 of the conference committee amendments:

> Under the House bill there was included a new section 13 of the National Labor Relations Act to assure that nothing in the

act was to be construed as authorizing any closed shop, union shop, maintenance of membership, or other forms of compulsory unionism agreement in any State where the execution of such agreement would be contrary to State law. Many States have enacted laws or adopted constitutional provisions to make all forms of compulsory unionism in those States illegal. It was never the intention of the National Labor Relations Act, as is disclosed by the legislative history of that act, to preempt the field in this regard so as to deprive the States of their powers to prevent compulsory unionism. To make certain that there should be no question about this, section 13 was included in the House bill. The conference agreement, in section 14(b), contains a provision having the same effect.

This House statement may be found on page 6378 of the June 4, 1947, CONGRESSIONAL RECORD.

There are two other pertinent statements on the intent of section 14(b). House report No. 245, 80th Congress, page 34, states:

The United States expressly declares the subject of compulsory unionism one that the States may regulate concurrently with the United States, notwithstanding that the agreements affect commerce, and notwithstanding that the State laws limit compulsory unionism more drastically than does Federal law.

House Conference Report No. 510, 80th Congress, states:

Under the House bill there was included a new section, 14(b), of the National Labor Relations Act to assure nothing in the act was to be construed as authorizing any closed shop, union shop, maintenance of membership, or other form of compulsory unionism agreement in any State where the execution of such agreements would be contrary to State law.

It is noteworthy that when section 14(b) was being debated and enacted in the Congress, 11 States already had right-to-work laws which were legal under explicit policy expressions of the Norris-LaGuardia Act, and all the other Federal legislation in this area that followed. Six of the State laws, among the 11, specifically spelled out prohibitions against all forms of compulsory unionism, including what is now called "agency shop." The recognition by Congress of the right of States to have these laws was, in my opinion, merely a recognition of one of our great constitutional bulwarks, the governmental precept of States' rights. This is why in my proposal to effect a comprehensive reformation in labor-management relations, with Senate bill 87, I have recognized this basic principle of our republican form of government, States' rights. My bill, in the area of union membership provisions, merely enunciates the national policy of individual freedom, freedom of choice. It leaves to the individual State the decision whether it wishes to authorize any form of compulsory unionism.

BOY BUILDER TO SOLVE SCHOOL DROPOUTS ON A LOCAL LEVEL

Mr. HARTKE. Mr. President, we have been reading and hearing much lately about the dropouts in our schools. The community of Bloomington, Ind., which is also the home of Indiana University, is making a sincere local effort to solve their problem of school dropouts.

The program, which has been designed to solve this problem is one worthy of the attention of the Members of the Senate, and I want to take this opportunity to explain how this program works.

The local citizenry has organized Boy Builders, Inc., which has been operating actively for about 6 months. It got its greatest boost, however, when recently the Eli Lilly Endowment, Inc., granted $30,000 toward an operating budget.

Boy Builders immediate objective is to provide an in-between program for the boy who is legally permitted to drop out of public school, but is limited in his vocational opportunities.

Each boy in the program will have an individual tutor or counselor, to whom he will look for guidance and assistance.

The vocational program will provide the boys a chance to work under the supervision of skilled instructors and craftsmen primarily in the house construction industry. At the same time, although he will not be forced to complete his high school education, he will have an opportunity to participate in a broad course of diversified education leading to high school graduation.

I am pleased to be a member of the national board of sponsors of this organization, along with such other distinguished persons as the Governor of Indiana, Matthew E. Welsh; the Lieutenant Governor, Richard O. Risteine; William G. Bray, Congressman of Indiana's Seventh District; Dr. Herman B. Wells, chancellor of Indiana University; Dr. Daniel Schreiber of the National Education Association, Dr. Arthur S. Daniels, Dr. Harold G. Shane, both of Indiana University; Dr. Robert J. Havighurst, University of Chicago, and Dr. Lindley J. Stiles, of the University of Wisconsin.

This meritorious program, it is hoped, will spread throughout the Nation, since this problem is a national one.

A recent news story in the Bloomington, Ind., Daily Herald-Telephone, describes this program in detail. Therefore, Mr. President, I ask unanimous consent that this news story be printed at the close of my remarks.

There being no objection, the news story was ordered to be printed in the RECORD, as follows:

BOY BUILDERS RECEIVE $30,000 FROM LILLY FUND—NATIONAL RECOGNITION EXPECTED FOR PROJECT

A grant of $30,000 from Lilly Endowment, Inc., of Indianapolis to Boy Builders of Bloomington, Inc., was announced today by Charles G. Curry, president of Boy Builders.

The grant marks the first step toward obtaining an operating budget for an organization that is expected to attract national attention.

Although organization of Boy Builders here has been carried on actively for the last 6 months, today's announcement of the grant brings the program into public focus for the first time.

"This grant is all the more remarkable to us," said Curry, "because we are just 6 days short of being 6 months old."

"It is unusual," Curry added, "for a new organization to have its application processed this rapidly. It seems to me that this speaks well of the work done by our board of directors and the advisory board of consultants."

"We have had the assistance of nearly 200 different persons in the organization of this prototype for school dropouts," Curry said.

Edward J. Kuntz, Boy Builders Foundation committee chairman, said, "The foundation committee of Boy Builders is certainly encouraged with this grant from Lilly. The foundation committee, composed of Sarkes Tarzian, Dr. Herman B Wells, and William S. Armstrong, endeavored to find foundations whose interests were covered by our proposed project.

"We are particularly pleased that the Lilly Endowment, Inc., an Indiana foundation, was the first to be contacted by the committee and also the first to award a grant," Kuntz said.

Boy Builders here, said Dr. Robert J. Havighurst, University of Chicago professor of education who has agreed to serve on the national board of sponsors, "is just the kind of project that ought to be picked up by local communities all over the country."

Announcement of the Lilly grant today also brought this comment from John S. Lynn, secretary and general manager of the Lilly Endowment: "This is a vote of confidence in the program projected by Boy Builders of Bloomington. We are pleased to have a part in the development of this new program."

The Boy Builders immediate objective is to provide an inbetween program for the boy who is legally permitted to drop out of public school at the age of 16, but is limited in his vocational opportunities until he is 18 years old because of insurance and compensation regulations.

The program here takes on additional importance because the school dropout problem has only recently been brought into national focus.

Bloomington will be watched closely in coming months by other communities—and local, State and Federal governmental agencies—concerned with the same problem.

It will also offer an opportunity for both undergraduate and graduate students attending Indiana University from all over the world to observe a program which provides a practical program for dealing with the problems of educational deficiencies.

There are no restrictions placed on membership in Boy Builders of Bloomington, Inc. Any boy 16 years of age or older is eligible for membership in the organization. Unlimited opportunities are available to boys regardless of race, religion, creed, or degree of academic and vocational deficiency through Boy Builders.

The boys are involved in a comprehensive program beyond the normal concept of a 5-day week regular school program. Each boy will have an opportunity to indicate his individual needs through a series of tests and evaluations to be administered by professionally trained faculty and staff members of Indiana University.

Each boy will have an individual tutor or counselor, using the wives of faculty members or retired teachers, to whom he will look for guidance and assistance. A broad course of diversified cooperative education leading to high school graduation is being projected through educational channels from the local to the State level. No boy will be forced to complete the required academic work, but it will be available to any boy who desires to better himself by working in a program of study designed to award him a high school diploma.

The vocational program will center around the house construction industry. Each boy will have an opportunity to work in all areas under the direction and in-

struction of skilled craftsmen and instructors. He will start with the preparation of the ground for footers and foundations and continue through to the capping of the chimney and the landscaping of the grounds.

The program is designed to offer a preapprenticeship program which may lead to acceptance as an apprentice in the trade of his choice when he becomes 18 years of age and can satisfy the entrance requirements for apprenticeship training. Boys whose manual dexterity or mental ability prohibit entrance into skilled apprenticeship programs will be directed toward employment commensurate with their abilities.

The boys will not be paid salaries, but will be taught the value of service as the houses will be built for, and with the help of, young married couples within the community who otherwise would not be financially able to build or purchase a house. It will embody a self-help plan, again under skilled craftsmen, which will permit the young couple to build up a "sweet equity" of their own. Although the boys will not be paid, each will receive a personal allowance of $5 a week. Hot lunches will be furnished. Clothing and shoes will be furnished. Foster homes will be provided where needed. Those who wish to engage in sports may be members of basketball, softball, bowling teams, etc. Clothes, equipment, fees, etc. will be paid by the organization.

Each boy will receive regular medical, dental, and optical examinations and checkups. Several different kinds of insurance, including health and accident, are carried on each member of the organization. Saturday will be "outside work day" and assistance will be given to the boys who wish to earn additional money. The hourly rate has been established at $1.25. The work must be within the framework of what the State regulations will permit.

In addition to Curry, other officers of Boy Builders are Dr. Kuntz, vice president; Ralph J. Nelson, treasurer; M. E. Klootwyk, assistant treasurer; William C. Reed, Jr., secretary; George L. Bower, Sr., Bruce B. Temple, and Tarzian, directors, and Dr. Jack B. Fellows, executive administrator.

The group's national board of sponsors includes Congressman William G. Bray, Dr. Arthur S. Daniels, of Indiana University; Dr. Daniel Schreiber, of the National Education Association; Dr. Harold G. Shane, of Indiana University; Dr. Lindley J. Stiles, of the University of Wisconsin; Dr. Herman B Wells, of Indiana University; Senator Vance Hartke, and Gov. Matthew E. Welsh.

There are 33 local persons on the advisory council.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

URBAN MASS TRANSPORTATION ACT OF 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 69, Senate bill 6, and that it be laid down and made the pending business.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with amendments, on page 3, line 7, after the word "their", to strike out "instrumentalities, and mass transportation companies both public and private," and insert "instrumentalities"; in line 21, after the word "areas", to strike out "(including commuter service into or between such areas)"; in line 24, after the word "areas.", to insert "Assistance may be provided for land and improvements acquired or constructed in advance of such use, if the Administrator obtains adequate assurance of repayment of the assistance where the land and improvements are not in fact put to the proposed use within a reasonable period of time."; on page 4, line 11, after the word "the", to strike out "legal" and insert "legal,"; on page 5, after line 15, to insert:

(c) No loan shall be made under this section for any project for which a grant is made under this section, except grants made for relocation payments in accordance with section 7(b). Loans under this section shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955. The authority provided in section 203 of such amendments to obtain funds for loans under clause (2) of section 202(a) of such amendments shall (except for undisbursed loan commitments) hereafter be exercised by the Administrator (without regard to the proviso in section 202(d) of such amendments) solely to obtain funds for loans under this section.

On page 6, after line 3, to insert:

(d) Section 203(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end of the third sentence a semicolon and the following: "except that notes or other obligations issued by the Administrator to the Secretary of the Treasury to obtain funds to provide financial assistance under section 202(a)(2) (as modified by section 3(c) of the Urban Mass Transportation Act of 1963) shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average yield on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance by the Administrator of the notes or other obligations".

On page 7, line 3, after the word "enterprise.", to insert "Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area."; on page 8, after line 6, to strike out:

(c) No loan shall be made under section 3 for any project for which a grant is made under that section, except grants made for relocation payments in accordance with section 7(b). Loans under section 3 shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955. The authority provided in section 203 of such amendments to obtain funds for loans under clause (2) of section 202(a) of such amendments shall (except for undisbursed loan commitments) hereafter be exercised by the Administrator solely to obtain funds for loans under section 3 of this Act.

On page 9, line 23, after the word "service,", to strike out "and" and insert "or"; on page 12, line 13, after the word "assisted", to strike out "highways, the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and shall exchange information on proposed projects in urban areas" and insert "highways (including the acquisition of land and the acquisition or construction of improvements in advance of such use), the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and shall exchange information and otherwise cooperate with respect to the planning, financing, and construction of proposed projects in urban areas"; at the top of page 13, to strike out:

INTERSTATE COMPACTS TO IMPLEMENT COMPREHENSIVE URBAN PLANNING

SEC. 9. Section 701(f) of the Housing Act of 1954 is amended to read as follows:

"(f) The consent of the Congress is hereby given to any two or more States to enter into compacts or other agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance (including the establishment of such agencies, joint or otherwise, as they may deem desirable) for comprehensive planning for the physical growth and development of interstate, metropolitan, or other urban areas, or for carrying out mass transportation programs and other measures determined to be necessary for such growth and development."

At the beginning of line 16, to change the section number from "10" to "9"; on page 15, at the beginning of line 10, to strike out "(but not including charter or sightseeing service) and moving over prescribed routes" and insert "and moving over prescribed routes, but does not include charter or sightseeing service, or aircraft or steamship service (other than ferrying service)"; after line 20, to strike out:

(e) Grants made under section 3 (other than relocation payments in accordance with section 7(b)) for projects in any one State shall not exceed in the aggregate 12½ per centum of the amount of grant funds authorized in section 4(b), except that the Administrator (without regard to the foregoing limitation) may make additional grants in accordance with section 4 aggregating not to exceed 10 per centum of such amount.

And, in lieu thereof, to insert:

(e) Except as otherwise provided in this subsection, contracts for grants under section 3 (other than relocation payments in accordance with section 7(b)) for projects in any one State shall not exceed in the aggregate $12,500,000 which limit shall be increased by $25,000,000 on July 1, 1964, and by $25,000,000 on July 1, 1965. The Administrator may make additional contracts for such grants (subject to the limitations prescribed in section 4(b)) aggregating not to exceed $50,000,000, but such additional contracts for grants for projects in any one State shall not exceed in the aggregate $5,000,000. In the case of any project undertaken in two or more States, in accordance with a duly approved compact or other agreement, the Administrator may apply the foregoing limitations by allocating any portion of the grants contracted for such project to any one or more of such States.

On page 16, after line 19, to insert:

(f) The Administrator shall make an annual report to the President for submission to the Congress on the administration of this Act. Such report shall indicate to whom financial assistance has been extended pursuant to this Act, the purposes for which such assistance is to be utilized, and the amounts involved, and may include such other information, comments, and recommendations as the Administrator deems appropriate.

On page 17, at the beginning of line 4, to change the section number from "11" to "10"; in line 11, after the word "as", to strike out "amended, and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be" and insert "amended"; at the top of page 18, to insert:

(c) It shall be a condition of the granting of any assistance or the financing of any project under this Act that fair and equitable arrangements are made, as determined by the Administrator after consultation with and the concurrence of the Secretary of Labor, to protect the interests of employees affected by such assistance or financing. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements; (2) the encouragement of the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) priority of employment or reemployment of employees terminated or laid off; and (5) paid training or retraining programs. The contract for the granting of any such assistance shall specify the terms and conditions of such protective arrangements.

And, at the beginning of line 20, to change the section number from "12" to "11"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Mass Transportation Act of 1963".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) that the predominant part of the Nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary lines of local jurisdictions and often extend into two or more States;

(2) that the welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, and other federally aided programs are being jeopardized by the deterioration of inadequate provision of urban transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis; and

(3) that Federal financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

(b) The purposes of this Act are—

(1) to assist in the development of improved mass transportation facilities, equipment, techniques, and methods, with the cooperation of mass transportation companies both public and private;

(2) to encourage the planning and establishment of areawide urban mass transportation systems needed for economical and desirable urban development, with the cooperation of mass transportation companies both public and private; and

(3) to provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated by public or private mass transportation companies as determined by local needs.

FEDERAL FINANCIAL ASSISTANCE

SEC. 3. (a) In accordance with the provisions of this Act, the Administrator is authorized to make grants or loans (directly, through the purchase of securities or equipment trust certificates, or otherwise) to assist States and local public bodies and agencies thereof, and mass transportation companies both public and private, in financing the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas and in coordinating such service with highway and other transportation in such areas. Assistance may be provided for land and improvements acquired or constructed in advance of such use, if the Administrator obtains adequate assurance of repayment of the assistance where the land and improvements are not in fact put to the proposed use within a reasonable period of time. Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and any other real or personal property needed for an efficient and coordinated mass transportation system. No grant or loan shall be provided under this section unless the Administrator determines that the applicant (which in no case shall be a private company) has or will have (1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment. The applicant shall, with respect to private mass transportation companies, give full consideration to the exercise of such continuing control through the appropriate existing governmental regulatory agency authorized to issue to the operating company, in the form of certificates of public convenience and necessity, franchises, or other indicia of operating authority, the authority to operate as a private mass transportation company. No such funds shall be used for payment of ordinary governmental or nonproject operating expenses.

(b) No grant or loan shall be made under this section to any State or local public body or agency thereof for the purpose of acquiring the facilities or other property of a private transit enterprise operating buses or similar motor vehicles, or providing by contract or otherwise for the operation of buses in competition with an existing transit company, unless the applicant has certified to the Administrator that (1) a grant or loan for such purposes is essential to the program, proposed or under active preparation, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, (2) such program, to the maximum extent feasible, provides for the participation of private mass transportation companies, and (3) just and adequate compensation will be paid to such companies for acquisition of their franchises or property to the extent required by applicable State or local laws.

(c) No loan shall be made under this section for any project for which a grant is made under this section, except grants made for relocation payments in accordance with section 7(b). Loans under this section shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955. The authority provided in section 203 of such amendments to obtain funds for loans under clause (2) of section 202(a) of such amendments shall (except for undisbursed loan commitments) hereafter be exercised by the Administrator (without regard to the proviso in section 202(d) of such amendments) solely to obtain funds for loans under this section.

(d) Section 203(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end of the third sentence a semicolon and the following: "except that notes or other obligations issued by the Administrator to the Secretary of the Treasury to obtain funds to provide financial assistance under section 202(a)(2) (as modified by section 3(c) of the Urban Mass Transportation Act of 1963) shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average yield on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance by the Administrator of the notes or other obligations".

LONG-RANGE PROGRAM

SEC. 4. (a) Except as specified in section 5, no Federal financial assistance shall be provided pursuant to section 3 unless the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Such a program shall encourage, to the maximum extent feasible, the participation of private enterprise. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area. The Administrator shall estimate what portion of the cost of a project to be assisted under section 3 of this Act cannot be reasonably financed from revenues—which portion shall hereinafter be called net project cost. The Federal grant for such a project shall not exceed two-thirds of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

(b) The Administrator may contract to make grants pursuant to this Act aggregating not to exceed $100,000,000, which limit shall be increased by $200,000,000 on July 1, 1964, and by $200,000,000 on July 1, 1965. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant contracted to be made pursuant to this Act. The faith of the United States is solemnly pledged to the payment of all grants contracted for under this Act, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

EMERGENCY PROGRAM

SEC. 5. Prior to July 1, 1966, Federal financial assistance may be provided pursuant to section 3 where (1) the program for the development of a unified or officially coordinated urban transportation system, referred to in section 4(a), is under active preparation although not yet completed, (2) the

facilities and equipment for which the assistance is sought can reasonably be expected to be required for such a system, and (3) there is an urgent need for their preservation or provision. The Federal grant for such a project shall not exceed one-half of the net project cost: *Provided*, That where a Federal grant is made on such a one-half basis, and the planning requirements specified in section 4(a) are fully met within a three-year period after the execution of the grant agreement, an additional grant may then be made to the applicant equal to one-sixth of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS

SEC. 6. (a) The Administrator is authorized to undertake research, development, and demonstration projects in all phases of urban mass transportation (including the development, testing, and demonstration of new facilities, equipment, techniques, and methods) which he determines will assist in the reduction of urban transportation needs, the improvement of mass transportation service, or the contribution of such service toward meeting total urban transportation needs at minimum cost. He may undertake such projects independently or by contract (including working agreements with other Federal departments and agencies). In carrying out the provisions of this section, the Administrator is authorized to request and receive such information or data as he deems appropriate from public or private sources.

(b) The Administrator may make available to finance projects under this section not to exceed $10,000,000 of the mass transportation grant authorization provided in section 4(b), which limit shall be increased to $20,000,000 on July 1, 1964, and to $30,000,000 on July 1, 1965. In addition, notwithstanding the provisions of section 4 of this Act or of section 103(b) of the Housing Act of 1949, the unobligated balance of the amount available for mass transportation demonstration grants pursuant to the proviso in such section 103(b) shall be available solely for financing projects under this section.

(c) Nothing contained in this section shall limit any authority of the Administrator under section 602 of the Housing Act of 1956 or any other provision of law.

RELOCATION REQUIREMENTS AND PAYMENTS

SEC. 7. (a) No financial assistance shall be extended to any project under section 3 unless the Administrator determines that an adequate relocation program is being carried on for families displaced by the project and that there are being or will be provided (in the same area or in other areas generally not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the displaced families) an equal number of decent, safe, and sanitary dwellings available to those displaced families and reasonably accessible to their places of employment.

(b) Notwithstanding any other provision of this Act, financial assistance extended to any project under section 3 may include grants for relocation payments, as herein defined. Such grants may be in addition to other financial assistance for the project under section 3, and no part of the amount of such relocation payments shall be required to be contributed as a local grant. The term "relocation payments" means payments by the applicant to individuals, families, business concerns, and nonprofit organizations for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit, for which reimbursement or compensation is not otherwise made, resulting from their displacement by the project. Such payments shall be made subject to such rules and regulations as may be prescribed by the Administrator, and shall not exceed $200 in the case of an individual or family, or $3,000 (or if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization. Such rules and regulations may include provisions authorizing payment to individuals and families of fixed amounts (not to exceed $200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

COORDINATION OF FEDERAL ASSISTANCE FOR HIGHWAYS AND FOR MASS TRANSPORTATION FACILITIES

SEC. 8. In order to assure coordination of highway and railway and other mass transportation planning and development programs in urban areas, particularly with respect to the provision of mass transportation facilities in connection with federally assisted highways (including the acquisition of land and the acquisition or construction of improvements in advance of such use), the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and shall exchange information and otherwise cooperate with respect to the planning, financing, and construction of proposed projects in urban areas.

GENERAL PROVISIONS

SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsections (c)(2) and (f), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this Act shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

(b) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act, entered into by applicants under other than competitive bidding procedures as defined by the Administrator, shall provide that the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the contracting parties that are pertinent to the operations or activities under such contracts.

(c) As used in this Act—

(1) the term "States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States;

(2) the term "local public bodies" includes municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State;

(3) the term "Administrator" means the Housing and Home Finance Administrator;

(4) the term "urban area" means any area that includes a municipality or other built-up place which is appropriate, in the judgment of the Administrator, for a public transportation system to serve commuters or others in the locality taking into consideration the local patterns and trends of urban growth; and

(5) the term "mass transportation" means transportation by bus or rail or other conveyance, either publicly or privately owned, serving the general public and moving over prescribed routes, but does not include charter or sightseeing service, or aircraft or steamship service (other than ferrying service).

(d) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the funds necessary to carry out all functions under this Act except loans under section 3. All funds appropriated under this Act for other than administrative expenses shall remain available until expended.

(e) Except as otherwise provided in this subsection, contracts for grants under section 3 (other than relocation payments in accordance with section 7(b)) for projects in any one State shall not exceed in the aggregate $12,500,000 which limit shall be increased by $25,000,000 on July 1, 1964, and by $25,000,000 on July 1, 1965. The Administrator may make additional contracts for such grants (subject to the limitations prescribed in section 4(b)) aggregating not to exceed $50,000,000, but such additional contracts for grants for projects in any one State shall not exceed in the aggregate $5,000,000. In the case of any project undertaken in two or more States, in accordance with a duly approved compact or other agreement, the Administrator may apply the foregoing limitations by allocating any portion of the grants contracted for such project to any one or more of such States.

(f) The Administrator shall make an annual report to the President for submission to the Congress on the administration of this Act. Such report shall indicate to whom financial assistance has been extended pursuant to this Act, the purposes for which such assistance is to utilized, and the amounts involved, and may include such other information, comments, and recommendations as the Administrator deems appropriate.

LABOR STANDARDS

SEC. 10. (a) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Administrator shall not approve any such loan or grant without first obtaining adequate assurance that these labor standards will be maintained upon the construction work.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, 40 U.S.C. 276c).

(c) It shall be a condition of the granting of any assistance or the financing of any project under this Act that fair and equitable arrangements are made, as determined by the Administrator after consultation with and the concurrence of the Secretary of Labor, to protect the interests of employees affected by such assistance or financing. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements; (2) the encouragement of the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) priority of

employment or reemployment of employees terminated or laid off; and (5) paid training or retraining programs. The contract for the granting of any such assistance shall specify the terms and conditions of such protective arrangements.

AIR POLLUTION CONTROL

SEC. 11. In providing financial assistance to any project under section 3, the Administrator shall take into consideration whether the facilities and equipment to be acquired, constructed, reconstructed, or improved will be designed and equipped to prevent and control air pollution in accordance with any criteria established for this purpose by the Secretary of Health, Education, and Welfare.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that during consideration of the pending bill (S. 6) staff members of the Committee on Banking and Currency and the Subcommittee on Housing may be admitted to the floor of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

THE HONORABLE HARRY FLOOD BYRD OF VIRGINIA

Mr. TALMADGE. Mr. President, the highest and most meritorious attributes a man can possess are absolute integrity, absolute honesty, and absolute courage. The Honorable HARRY FLOOD BYRD, the distinguished senior Senator from Virginia, has these qualities, and he is indeed one of the true statesmen of all time. His State and Nation owe him a lasting debt of gratitude.

In the words of William S. White, the respected Washington columnist, writing in the April issue of the Reader's Digest:

HARRY BYRD symbolizes a vanishing era of public men who stood to the end in awareness that their true and ultimate responsibility was to country and history.

All who have served with Senator BYRD in this body know that Mr. White wrote with great truth. The Senator from Virginia has been dedicated, courageous, and forthright throughout all of his outstanding service in the Senate.

Mr. President, I ask unanimous consent that Mr. White's tribute to the Senator from Virginia [Mr. BYRD] be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEET THE HONORABLE HARRY (THE RARE) BYRD

(By William S. White)

(Even those who disagree with his policies cannot help liking and admiring the patriarch from Virginia as a man of integrity and courage.)

A veteran Congressman said recently, "There are three parties in the U.S. Senate—the Democratic Party, the Republican Party, and the party of HARRY BYRD. HARRY is far too fond of the old Democratic Party ever to leave it, and he is too old-fashioned a southern gentleman ever to join the Republican Party. So, he has his own party—the Byrd-Democratic Party."

HARRY FLOOD BYRD, of Virginia, is the Senate's southern conservative patriarch. Some of his colleagues think of him as a force of reaction and pennypinching; others think of him as the last, best guard over the Federal Treasury, the last, best hope against Federal intervention in State and local affairs. But all of them think of HARRY BYRD as a man of absolute integrity, absolute honesty, absolute courage.

Why absolute integrity? Because he votes as he believes. Why absolute honesty? Because he says what he believes, and only what he believes. Why absolute courage? Because no mere part-time valor can arm any man to vote invariably, and to speak invariably, only upon his own convictions.

Two years ago when the Senate voted on the Kennedy administration's proposal to extend unemployment insurance, BYRD lost, by only two votes, his fight to preserve the principle of State responsibility for the administration and distribution of the funds. But he did not, as a lesser man might, take the narrow defeat as a personal rebuke and go off sulking. BYRD, confident that his convictions were right, stayed on the floor. When the Senate clerk had called the last name and it was apparent how the vote had gone, Senators who had opposed him went to BYRD's front-row desk to congratulate him for his fortitude.

This respect for BYRD is bipartisan. When, after years of Democratic Party rule in Congress, the Republicans won a majority and the right to name committee chairmen in 1947 and 1953, they asked BYRD to remain as chairman of the House-Senate Committee on Reduction of Nonessential Federal Expenditures, which he had been instrumental in setting up in 1941. "That's BYRD's committee and he should keep on running it," one Republican explained. Today, the committee is one of the best sources of information about Government spending. BYRD, with 21 years as chairman, has been head of a congressional committee for a longer unbroken time than any other man in history.

BYRD is a true aristocrat, perhaps the last in the Senate and one of a nostalgic few remaining on the U.S. political scene. The name BYRD has been written across all the pages of Virginia's history since 1674. Yet, like many aristocrats, BYRD seems unconscious of his status. A thrifty man who has a horror of any kind of show, he could be picked as the least well-dressed Member on the Senate floor. He drives only low-priced automobiles. He buckets around his vast apple orchards in the Shenandoah Valley (he is the largest individual grower in the world) and around his hometown of Berryville in khaki pants and shirt like a farmer on the way to the general store.

BYRD's sole visible symbol of status is his white-pillared country house, Rosemont, which surmounts Berryville like a manor house over an English village. When, and very rarely, BYRD entertains at Rosemont (always in the spring, when the apple blossoms cover the hills), "H. F. BYRD," the apple grower, and HARRY FLOOD BYRD, the U.S. Senator, become simply BYRD of Rosemont. In these moments BYRD is dressed for the role of southern squire, usually in white linen gleaming against his reddish, apple-cheeked face and his blue, amused eyes.

But BYRD's public life is his real life, and has been for 55 of his 75 years. His father, Richard Evelyn Byrd (the late admiral and explorer of the same name was HARRY BYRD's younger brother), had sat with such absorption as speaker of the Virginia House of Delegates that he had neglected both his law practice and the small family fortune bound up in the Winchester Star. The Star had become so debt ridden that the elder Byrd had about decided to liquidate it. But HARRY BYRD, although only 15, asked permission to quit high school and have a go at the paper.

His first problem was a heavy indebtedness to the firm that supplied the newsprint. He persuaded that firm to send newsprint c.o.d.—1 day's supply at a time. By day-and-night collection of bills owed the Star and by working as manager of the local Bell Telephone office, young HARRY managed to pay for each shipment of paper as it arrived. And, finally, through his managerial skill, all back bills, too, were paid, and the newspaper became solvent.

But from early boyhood HARRY BYRD had meant to be a public man. He was elected to the Winchester City Council before he was 21, to the State senate at 27, and was Governor of Virginia at 38. He has been a U.S. Senator since 1933, the year in which Franklin D. Roosevelt entered the White House.

In the years since he left the Virginia statehouse, BYRD has had some little hand, as he puts it, in the election of nine Governors of Virginia. Eight have been BYRD men—men who in general have shared his philosophy of fiscal prudence and belief in the maintenance of worthwhile traditions.

The Byrd organization is no Tammany Hall, no machine like the one the Republicans once had in Pennsylvania. It is variously described as an association of like-minded men (by its friends) and as HARRY BYRD's steamroller (by his enemies). In the organization there are no direct ukases from on high; BYRD does not personally pick who is to run for what office. Still, when election time comes around, everybody in Virginia knows how the Senator feels. BYRD himself says, "For the success that I have had and the organization has had, there is, I think, one very simple explanation: I have always been conservative and it has always been conservative."

The catalyst that formed the organization came in 1923, when Virginia was torn by a debate over how to pay for badly needed highways. BYRD, as a State senator, advocated building modern roads; but unlike his opponents he felt the $50 million cost should be paid as the roads were built rather than by floating a bond issue. Resolving to carry the decision to the people, he slogged through muddy roads to nearly every city and village in the State. BYRD's proposal was simple: "Pull the farmers out of the mud, but do it sanely through a pay-as-you-go gasoline tax." The voters were convinced; the proposal for a bond issue was defeated, and BYRD became the logical choice for Governor.

As chief executive, BYRD streamlined the State constitution until it became a model studied throughout the the United States. He changed a $1,900,000 budget deficit into a $5,700,000 surplus. He persuaded the legislature to pass a tough law that ended lynching in Virginia. He lured new industry, and put Virginia on such a sound financial basis that, while it now ranks well above the national average in growth, expenditures for education, and percentage of surfaced highways, it has virtually no State debt.

Never has the organization been remotely accused of corruption. One of BYRD's few orders (decisions he calls them) to the organization was to resist the slightest touch of influence peddling. Indeed, BYRD's own antagonism to influence peddling is so marked as to seem to more relaxed politicians almost an obsession. For example, when President Eisenhower named Charles E. Wilson, of General Motors, as Secretary of Defense in 1952, nearly all of Washington assumed that Wilson would have no trouble in being confirmed by the Senate. But BYRD, though a strongly probusiness poli-

tician, read the conflict-of-interest laws to say that Wilson must sell his stock in General Motors, which held large contracts with the Defense Department.

There was a hard deadlock between these two hardminded men. Other Senators wanted a compromise; BYRD would have none of it. Wilson threatened to go over the Senate's head with a television appeal to the country. (What he meant was to go over BYRD's head.) BYRD told him, "Mr. Wilson, I do hope you won't do that. It would be very bad—for you." Wilson finally sold his stock.

BYRD's insistence on budget balancing, on pay-as-you-go, and his hostility to the spread of Federal powers often irritate his colleagues, but they could hardly imagine the Senate without him. In 1958 he announced that he was retiring. Mrs. Byrd had been ill, and he had promised her that he would not run again. There was an outpouring of genuine regret in the U.S. Senate, but the General Assembly of Virginia did more than regret. It passed a resolution, the first of its kind, calling on him to reconsider. "The general welfare of the entire United States and Virginia demands his continued service," the resolution concluded.

BYRD, bearing his promise in mind, went to Mrs. Byrd with the assembly's request. She herself wrote a letter to the assembly: "I have looked forward to my husband's retirement, but I do not feel that my hope should obstruct the judgment of those better informed than I who think he can render a public service in these trying days."

So BYRD ran again for the U.S. Senate. His favorite corner there is the finance committee, of which he is chairman. He fights a cheerful but endless rearguard action against too much spending, too much foreign economic aid, too much intrusion by the Federal power. His arguments, in brief, almost offhand speeches, are never stilled.

Hundreds of major legislative actions in the fiscal field over the years have borne the imprint of BYRD's thrifty hand. The soundness of the social security system, for one, represents an enduring BYRD victory. From the enactment of the law in 1935, BYRD was disatisfied with it, because it promised billions of dollars in pensions but offered no guaranteed means for paying the bill. He wanted nothing less than a pay-as-you-go plan—and 4 years later, in 1939, Congress accepted a Byrd amendment for pay-as-you-go.

Seventeen years later, when the Eisenhower administration proposed the vast multibillion-dollar highway program now in the process of lacing this country, BYRD returned to the same principle. Eisenhower and George M. Humphrey, then Secretary of the Treasury, wanted to finance the system with a bond issue which would augment the already mountainous Federal debt. BYRD told them, "Roads, yes, gentlemen. Bonds, no, gentlemen." When the Federal Highway Act of 1956 was finally adopted, it carried BYRD's pay-as-you-go financing plan.

He fights doggedly even on small items. When in 1945 the time came for President Franklin D. Roosevelt's fourth inauguration, BYRD was chairman of the Inaugural Committee. Congress appropriated for the occasion $25,000, to BYRD an ample sum. F.D.R., who had conducted polite but relentless warfare for years with the Senator, observed one night to friends: "Old HARRY is so worried about money, I think I shall simply announce that I want nothing from him for the inauguration—not even his precious $25,000."

BYRD calmly took the President at his word. He issued orders to the Inaugural Committee to return the $25,000 to the Federal Treasury. Roosevelt paid for the chicken a la king inaugural luncheon out of regular White House funds.

BYRD has always assumed that because he means a thing when he says it, other public men mean what they say. Demagogery is utterly foreign to him; he never hides his motives or apologizes for his actions. "I just go on my regular course," BYRD was quoted by Time. "I don't claim to have any special virtues at all. I just vote for what I think is right."

Truman once said that there were "too many Byrds" in the Senate. But there is only one HARRY FLOOD BYRD, of Virginia; and there will not soon, if ever, be another. Issues are endlessly debatable; but character is not. And HARRY BYRD symbolizes a vanishing era of public men who stood to the end in awareness that their true and ultimate responsibility was to country and history.

INDIVIDUAL RESPONSIBILITY

Mr. TALMADGE. Mr. President, it has become commonplace for the criminal conduct of individuals to be blamed on the ills of society, particularly in our large cities and here in the crime-ridden District of Columbia.

To subscribe to this doctrine is to deny that the individual has any control whatsoever over his actions, and to believe that man is a soulless being without any sense of what is right and what is wrong. It is to believe that if Abraham Lincoln were alive today he would grow up to be a rogue of the worst sort. Poor Abe, so underprivileged that he never had adequate schooling or proper housing, and without social workers to show him the way, never really had a chance.

However, no one told him this, and he persevered and determinedly set out to improve himself and to achieve the highest honor that can come to a citizen of this country.

The shortcomings of our society have for so long borne the brunt of the blame for the sins of man that it is refreshing, indeed, when someone puts the matter in its proper perspective, as was done March 28 in a letter to the Washington Evening Star by Elsie King Moreland.

With great truth, it is noted that only weak and irresponsible individuals will result from putting the blame on society for their behavior. It is time that individuals renew faith in themselves as masters of their fate, and act in accordance with responsible citizenship.

Mr. President, I ask unanimous consent that this letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WHY BLAME SOCIETY FOR SINS OF INDIVIDUALS?

Human behavior, which was once motivated by the individual's concept of right or wrong, has now become a kind of reflex action, controlled by causes and forces beyond the individual's reach. The sins of the fathers and of society are his formidable inheritance, which he must accept and endure.

A whole new science, based on this idea, has come into being. For every form of behavior, from a temper tantrum to a vicious murder, there is a precise cause or blame, says this science. And matching one with the other has become as simple as matching a spool of thread with a piece of fabric. A rape, a robbery, or a murder is committed, and before the individual is fingerprinted and booked, we have been given the exact cause of the particular crime. If the exact cause is not readily available, there is always society to blame, or the individual's immediate community, or, in some instances, the region of his birth. Never, but never, must the individual responsible for the behavior be blamed. Indeed, it would almost appear that his participation or involvement in the crime is hardly more than that of an innocent bystander.

Shakespeare, in "King Lear," has Edmund say of evaders: "This is the excellent foppery of the world, that when we are sick in fortune—often the surfeit of our own behavior—we make guilty of our disasters the sun, the moon, and the stars: As if we were villains by necessity, fools by heavenly compulsion, knaves, thieves, and treachers, by spherical predominance; drunkards, liars, and adulterers, by an enforced obedience of planetary influence."

At the present time, planetary influence does not appear to be on the approved list of causes, but we can be sure that sooner or later the sun, the moon, and the stars will be made guilty of some of modern man's disasters. However, another type of influence appears to have been added, not to the causes perhaps, but to the justifications for some forms of behavior. This influence has to do with numbers, or the statistical approach to ethics. The old idea that right is right if nobody is right and wrong is wrong if everybody is wrong has been changed to wrong is right if everybody does it, or is doing it at a given time.

A well-known legislator recently justified some of his behavior with this new influence of numbers. He was just doing what everybody was doing, he said, no more, no less. Another legislator, apparently also using the statistical approach, is reported to have stated, in connection with the stadium riot, that he knew of worse riots in the Midwest. It is not quite clear what this statement was supposed to show or to prove, but if everybody does it is the criterion, then we are left to wonder what influence statistical evidence of riots in other parts of the country may do to this form of behavior.

It would be difficult to assess the potentialities for evil in this idea of removing from the individual all responsibility for his behavior. It underwrites crime, and subsidizes sin. It robs the individual of self-restraint, self-reliance, and self-respect, and makes him an automaton, his actions determined or predetermined by forces over which he has no control. It gives every juvenile a built-in alibi, and puts a gun, a knife or a club in his hand, and, says "Go out and have fun—you are not responsible." If there is any doubt that this approach to behavior is wrong, it can be quickly dispelled by considering the ever-increasing rate of crime, delinquency, illegitimacy, and other related social problems.

There are no villains by necessity. No one becomes a criminal or delinquent except through his own choice. The line which separates right from wrong may not be as sharply drawn today, but the majority of those with average intelligence know when they have crossed it. The boy who throws a rock through a window knows he is doing wrong. If not, why does he run? Studies of crime and delinquency show that there are no exact causes which can be applied to particular crimes or behavior. There are only factors which may or may not influence certain individuals. Each responds in his own way to a given situation.

The society which produces a panhandler and a purse snatcher will also produce an Andrew Carnegie and a Henry Ford. The circumstances which produce a coward will also produce a hero. The sinking of the Titanic produced a number of both. The poverty which produces a criminal will also produce an Abraham Lincoln and a George Washington Carver. The same environment—race, early surroundings, college and the study of science—which produced Julius Rosenberg also produced Jonas Salk. The

same parents who produced Al (Scarface) Capone also produced his brother, Richard J. (Two-Gun) Hart, who, as a marshal and an Indian agent in Nebraska, enforced the law for 30 years. True, he changed his name, but by any other name, his heredity was exactly the same.

Those who blame society for an individual's behavior are themselves creating a society of weak and irresponsible individuals. Making society guilty is an admission that the individual is not capable of choosing or controlling his behavior. No man is free who is not the master of his fate. If his fate is determined by society, or any other force outside himself, he is not the master, and he is not free. Let those who excuse and blame ponder this. Will they have a free and responsible citizen who can choose and control his own destiny? Or will they have one who is a slave of circumstances and conditions, without any sense of responsibility for his own life or the community in which he lives? They must decide on one or the other. They cannot have both.

ELSIE KING MORELAND.

POLITICAL CLEARANCE FOR STUDENT SUMMER JOBS

Mr. SIMPSON. Mr. President, recently I received an inquiry about a disturbing report that student summer jobs in Washington were being controlled by the administration for political purposes. Reports that applicants were being subjected to clearance through the New Frontier political machine were brought to my attention.

I immediately made inquiry through the Civil Service Commission and was assured both by phone and by letter that there had been—to quote Civil Service—"no departure from past policies or practices in employing students."

The writer, Chairman John W. Macy, Jr., continued with the reassuring words:

Any political clearances for appointments to positions in the competitive service, either permanent or temporary are clearly prohibited by the Civil Service Act, rules, and regulations.

I realize the repetition involved in reading Chairman Macy's letter in full, but to avoid any chance of pulling his statements out of context I will quote the full letter at this point in my remarks:

DEAR SENATOR SIMPSON: This is in reply to your letter of March 12, 1963, in behalf of Mrs. Pollyann Lucas, 167 South 12th East, Salt Lake City, Utah, who asks about summer employment in the Federal service.

Let me assure you that there has been no departure from past policies or practices in employing students or other persons for temporary periods during the summer. Pamphlet 45 has been reissued (a copy is enclosed) to set forth the summer employment opportunities known to the Civil Service Commission and the procedures to be followed by applicants interested in such opportunities. Any political clearances for appointments to positions in the competitive service, either permanent or temporary, are clearly prohibited by the Civil Service Act, rules, and regulations. The Commission will promptly investigate any specific charge that such prohibitions have been violated.

Your enclosure is returned.

Sincerely yours,

JOHN W. MACY, Jr.,
Chairman.

Despite the abuses of power politics that I have witnessed in my brief tenure in the Senate, this letter did seem quite explicit and I in turn assured Mrs. Lucas that her trepidation was without cause and that no politics figured in the summer jobs.

At this same time the administration testified before the House Civil Service Committee that there was certainly no political patronage involved and that White House interest in the program was predicated on the most noble of motives; simply to set up the summer student seminars. The fears of all who questioned the patronage reports were thus quickly assuaged.

Senators can imagine my surprise Sunday when I read in the newspaper that the official publication of the National Federation of College Democrats had unveiled this play for the cruel hoax that it is. In an article last week the paper informed its readers that responsibility for summer employment jobs had been transferred to the White House.

We learn that each applicant is to write his Congressman for his recommendation and then forward it to the White House patronage clerk who will ascertain the political thinking of the students.

I submit, Mr. President, that this is the rankest type of vicious manipulation of the 10,000 students who are honestly seeking summer jobs in Washington, and of the Civil Service Commission, which is obviously in the dark about the situation.

In its insatiable drive to twist a political advantage from every event, program, and person the administration has violated the civil service law as explained by Mr. Macy and it is attempting to turn a nonpartisan student employment program into a campaign device for the New Frontier.

The American people are witnessing the antics of an administration that plays politics with everything from students to Cuban refugees to an agency of its own Government.

It is patent now that the White House will subtly reject applications of students who are not deemed compatible with the New Frontier grand design.

In his note of reassurance Chairman Macy takes note of the prompt investigation of any reports such as this usurpation of civil service employment. Here we have a clear-cut case for such an investigation before Washington is surfeited with a summer youth corps which is unwittingly giving some Democrat Congressman a boost for reelection, at the taxpayers' expense.

Mr. President, I ask unanimous consent that the article to which I have referred, written by Mr. Young, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COLLEGE DEMOCRATS ARE TOLD HOW TO GET SUMMER GOVERNMENT JOB

(By Joseph Young)

The Kennedy administration's disavowal of political patronage intent in the filling of student summer jobs in Government is sharply contradicted by one of the Democratic Party's own publications—the National College Democrat.

Only last Thursday, administration officials told the House Civil Service Committee that there was no political patronage involved and that the only interest the White House had in these jobs was in planning the student seminars which are held in connection with the summer employment.

However, the National College Democrat, the official publication of the National Federation of College Young Democrats, has this to say in its current issue:

"You may have noticed in recent newspaper stories that responsibility for such summer jobs has been transferred to the White House.

"The Young Democrats division has checked out what this means for you.

FORM TO WHITE HOUSE

"We have been recommended to suggest the following procedure. Write to your Senator or Congressman, asking him for a form 57. When you return it, ask him to enclose an accompanying letter of recommendation and to forward it with the form 57 to Mrs. Dorothy Davies at the White House."

Mrs. Davies is an assistant to Kenneth O'Donnell, special assistant to President Kennedy, and is handling Government summer employment for the White House.

The Democratic student publication mentions that "Washington's summertime lure is 'getting to' many college Young Democrats this time of the year."

With such competition among the Young Democrats, it reminded them that a political letter of recommendation to the White House from one's Senator or Congressman may not be a "guarantee" of getting a summer job. It urges the Young Democrats to follow up "any personal leads you may have" in pursuing a Government job.

The article concludes by reminding the Young Democrats that if they have any further questions they should contact Jim Hunt, the college director of the Democratic National Committee.

AN APRIL FOOL'S DAY NATIONAL DEBT

Mr. ROBERTSON. Mr. President, it is an unfortunate coincidence that the Congress chose April Fool's Day to fool the American people concerning the size of the national debt.

Pursuant to an act of Congress, the papers will solemnly announce that today the ceiling on the debt drops from $308 billion to $305 billion, leaving the impression that there has been a marked reduction in the size of the debt, which, of course, is not true. For purposes of flexibility, the Treasury in recent years has been insisting upon a debt ceiling of at least $3 billion above the actual debt at any given time. As of today, the actual debt is $303,171,874,612.20. The Treasury had planned to ask Congress to provide a ceiling above $308 billion, but abandoned the plan when it became apparent that a bitter fight over the debt ceiling would mitigate against the chances of an income tax cut.

April is the month of the largest payment of personal income taxes and the Treasury feels there will be sufficient funds to meet current bills for the next 2 months under a debt limit of $305 billion prior to June 25, when under existing law the debt ceiling will drop to $300 billion, the Treasury will be forced to ask for legislative action to increase the debt ceiling. We do not know the exact figure that the Treasury will request, but in view of the fact that the Treasury Department anticipates a deficit of about $12 billion for the next

fiscal year and probably just as much for the following fiscal year, there are many who now believe that the Treasury will ask Congress to fix the new ceiling at $320 billion. The budget estimate for interest on the present debt is $9,400 million, but if Congress concurs in the planned deficits for the next 2 fiscal years, the carrying charge on the national debt will soon be close to $1 billion a month.

On this April Fool's Day, it is pertinent to point out that almost one-third of our monumental national debt has been created by the money we have loaned and given to foreign nations since the end of World War II.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a tabulation of those loans and grants which were published in the last issue of Time magazine. That tabulation shows how much each foreign country has received, making a total of $97,674,700,000. Whatever the accomplishments of foreign aid have been, the cost has been tremendous. We must review all further requests in this field.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

WHERE THE MONEY WENT

The breakdown of military and economic aid given to foreign countries and groupings from July 1, 1945, to June 30, 1962. An asterisk indicates classified military aid that is included in the regional totals:

[In millions of dollars]

	Economic	Military	Total
Europe:			
Austria	1,173.8		1,173.8
Belgium-Luxembourg	739.5	1,256.4	1,995.9
Denmark	300.3	605.3	905.6
France	5,175.6	4,262.4	9,438.0
West Germany	4,047.5	951.9	4,999.4
Berlin	131.0		131.0
Iceland	70.2		70.2
Ireland	146.2		146.2
Italy	3,463.3	2,292.5	5,755.8
The Netherlands	1,288.6	1,252.8	2,481.4
Norway	349.8	797.0	1,146.8
Poland	522.6		522.6
Portugal	152.1	336.6	488.7
Spain	1,173.6	537.7	1,711.3
Sweden	108.9		108.9
United Kingdom	7,668.2	1,045.0	9,713.2
Yugoslavia	1,703.0	693.9	2,396.9
Regional [1]	718.4	1,908.6	2,627.0
Total	28,872.7	15,939.8	44,812.5
Far East:			
Burma	95.4		95.4
Cambodia	248.6	85.9	334.5
Nationalist China	2,051.6	2,376.7	4,428.3
Hong Kong	30.4		30.4
Indochina region [2]	825.6	709.6	1,535.2
Indonesia	670.9		670.9
Japan	2,660.7	1,033.1	3,693.8
Korea	3,431.4	2,002.2	5,433.6
Laos	291.9	169.8	461.7
Malaya	23.2		23.2
Philippines	1,334.4	418.8	1,753.2
Thailand	336.1	417.8	753.9
Vietnam	1,699.3	742.4	2,441.7
SEATO	1.8		1.8
Regional	41.9	461.1	503.0
Total	13,743.2	8,417.3	22,160.5
Middle East and south Asia:			
Cyprus	16.9		16.9
Greece	1,784.8	1,602.8	3,387.6
Iran	732.3	577.9	1,310.2
Iraq	21.6	46.1	67.7
Israel	874.7	3.0	877.7
Jordan	325.2	24.1	349.3
Lebanon	80.4	8.6	89.0
Saudi Arabia	46.6	*	46.6
Syria	75.8		75.8
Turkey	1,581.3	2,288.0	3,869.3
United Arab Republic (Egypt)	628.6		628.6
Middle East, etc.—Con.			
Yemen	22.9		22.9
CENTO	27.4		27.4
Afghanistan	216.8	2.8	219.6
Ceylon	79.7		79.7
India	3,952.0		3,952.0
Nepal	48.4		48.4
Pakistan	1,889.6	*	1,889.6
Indus Basin [3]	33.8		33.8
Regional	139.4	713.0	852.4
Total	12,577.7	5,266.2	17,843.9
Latin America:			
Argentina	596.5	44.0	640.5
Bolivia	254.9	3.5	258.4
Brazil	1,736.8	215.9	1,952.7
Chile	675.6	62.2	737.8
Colombia	360.7	47.8	408.5
Costa Rica	89.1	.8	89.9
Cuba	41.5	10.6	52.1
Dominican Republic	39.3	6.1	45.4
Ecuador	113.1	25.2	138.3
El Salvador	39.6	1.1	40.7
Guatemala	158.2	4.4	162.6
Haiti	94.6	6.2	100.8
Honduras	43.0	2.3	45.3
Jamaica	8.8		8.8
Mexico	760.7	6.2	766.9
Nicaragua	65.1	3.8	68.9
Panama	99.9	.9	100.8
Paraguay	57.9	1.4	59.3
Peru	387.1	83.6	470.7
Uruguay	58.7	29.5	88.2
Venezuela	220.9	52.9	273.8
West Indies	22.5		22.5
British Guiana	3.5		3.5
British Honduras	2.4		2.4
Surinam	3.4		3.4
Regional	262.0	7.4	269.4
Total	6,195.5	616.1	6,811.6
Africa:			
Algeria	15.0		15.0
Cameroon	15.3	.3	15.6
Central African Republic	.2		.2
Chad	.4		.4
Congo (Brazzaville)	1.3		1.3
Congo (Léopoldville)	94.6		94.6
Dahomey	5.6		5.6
Ethiopia	117.8	67.5	185.3
Gabon	.5		.5
Ghana	156.5		156.5
Guinea	14.3		14.3
Ivory Coast	4.6		4.6
Kenya	18.5		18.5
Liberia	127.2	4.3	131.5
Libya	187.2	4.5	191.7
Malagasy	1.3		1.3
Mali	5.1	1.0	6.1
Mauritania	1.6		1.6
Morocco	352.0	*	352.0
Niger	3.2		3.2
Nigeria	43.6		43.6
Rhodesia-Nyasaland	36.1		36.1
Ruanda-Urundi	6.1		6.1
Senegal	4.6		4.6
Sierra Leone	3.5		3.5
Somali	27.4		27.4
Sudan	65.0		65.0
Tanganyika	17.6		17.6
Togo	5.8		5.8
Tunisia	293.3	*	293.3
Uganda	5.2		5.2
Upper Volta	3.2		3.2
Zanzibar	.1		.1
Other French possessions	6.0		6.0
Other Portuguese possessions	12.8		12.8
Other British possessions	.9		.9
Regional	11.1	34.3	45.4
Total	1,664.7	112.0	1,776.6
Nonregional [4]	3,561.4	708.0	4,269.4
Total	66,615.2	31,059.5	97,674.7

[1] "Regional" expenditures include multilateral programs in given areas; in Europe "Regional" also includes contributions to NATO.

[2] Aid given before Indo-China was given up by France in 1954.

[3] India, Pakistan, and other nations' participation in the Indus River project.

[4] Includes international bodies such as the United Nations and the International Labor Organization.

Source: Time, Mar. 29, 1963.

Mr. ROBERTSON. Mr. President, April Fool's Day is a good day to remind those who are now contributing to their Government the largest percentage of their earned income of any free nation in modern times that the shibboleth of our State Department, "foreign aid with no strings attached," has actually meant foreign aid with little regard to a return to the American taxpayer.

April Fool's Day is likewise a good day to warn every man, woman, and child that, unless we take courageous steps to end deficit financing, there will come an April Fool's Day when they will learn to their sorrow that inflation has eroded the value of their life savings to a point where their insurance policies, savings accounts, and savings bonds are worthless. This has happened in many countries. It can happen here, unless we take steps to prevent inflation. We must take those steps, beginning today.

FREEDOM HOUSE POSITION ON CUBA

Mr. KEATING. Mr. President, I call to the attention of the Senate a full page advertisement which appeared in the March 25 edition of the Washington Post concerning a relatively new organization known as the Freedom House. Under the very able leadership of Roscoe Drummond, who is chairman of the board of trustees, the Freedom House is dedicated to the principles of peace and liberty throughout the world. Through their educational program, conducted by means of mass media, the Freedom House attempts to alert the public to any threats to our security and, in addition, it makes positive recommendations for action.

Mr. President, in this most recent advertisement, the situation now existing in Cuba is discussed. The advertisement correctly points out the bipartisan areas of agreement—first, to eliminate the Soviet political and military base in Cuba; second, to prevent the spread of Communist subversion and terrorism to other countries in Latin America; and third, to liberate Cuba from the terror of Castro's police state. The Freedom House puts forth six viable propositions which they believe are fundamental to a satisfactory solution to the Cuban matter—a solution in the best interests of the United States.

Mr. President, I ask unanimous consent that following my remarks here today the text of the advertisement be printed in the RECORD.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

FREE CUBA

A Communist Cuba is intolerable. It is intolerable to America for reasons which bear upon our security. But beyond that, there are other concerns which must move freemen.

Communist Cuba has betrayed 6 million people who won their freedom from the Batista dictatorship.

It has deprived them of a free press and the right to vote.

It has imprisoned more than 100,000 Cubans for suspected antipathy to communism.

It has compelled a quarter of a million to flee their homeland. An additional 180,000 await transportation and countless others wish to escape the reign of terror.

It has become the first Soviet satellite in the Americas. Even if we could be certain that every offensive military weapon has been removed from Cuba, there would remain the most effective offensive weapon of the 20th century: aggressive communism.

Freedom House holds it imperative that Americans close ranks to meet that threat.

The leaders of both parties appear to agree on these objectives of U.S. policy: (a) eliminate the Soviet political and military base in Cuba, (b) prevent the spread of Castro-Communist subversion, sabotage and guerrilla warfare, and (c) liberate the Cuban people from the terror of Castro's police state.

The issue before us, therefore, is not whether to move toward these goals, but how and when. Only the President, who has full access to the facts, can determine the character and timing of actions that will meet hemispheric and global requirements.

Freedom House believes, however, that public acceptance of the following propositions is basic for a viable solution:

1. The heart of the issue is the existence of a Communist regime in Cuba, serving as a Soviet political and military base for the purpose of multiplying Soviet satellites in this hemisphere.

The Soviets have helped to make Cuba a major training center and staging area for armies of Communist agents and guerrillas.

They have made Cuba the No. 1 military power in Latin America as a direct threat against weaker republics, which could generate an arms race with serious economic and political consequences.

2. The solution of the area's grievous social and economic problems will become increasingly difficult if not impossible to achieve should Cuba continue as a base for Communist penetration.

Under rising pressure from Communist Cuba, no Latin American government can be sure from one day to the next that it can maintain the peace and order necessary to carry out its social and economic plans. This could doom the Alliance for Progress.

The spread of the Castro-Communist infection is inclining influential Latin Americans to reach for the traditional solution of rightwing military dictatorship. Communists would welcome that as a step toward their seizure of power.

3. The nature of the threat requires that we be as much concerned with the security and freedom of our neighbors and allies as we are with our own.

A narrow interpretation of our national security suggesting that we will only take great risks to protect our own territory is bound to breed uncertainty. Some Latin Americans are already beginning to say: if the United States is unable or unwilling to repel this Communist menace we may have to fend for ourselves and somehow come to terms with it.

4. It is important to act and to time our action in consultation with our allies to assure maximum unity of the Organization of American States and the Atlantic Alliance.

Such action is authorized in the 1947 Rio Treaty which applies the U.N. Charter provision for self defense to the Organization of American States (OAS).

The resolutions adopted at Punta del Este in 1962 focus this doctrine on Cuba and call for individual and collective measures to counteract the continued intervention in this hemisphere of the Sino-Soviet Powers.

While preparing for action, we must not downgrade the danger. Nor should we defer to the timid members of the OAS in making decisions. The confidence of those who are under attack would thus be shaken; further provocations and miscalculations would be invited.

5. Failure to follow up initial success jeopardizes the gain and can lead to a setback.

The forceful and prudent U.S. action in the missile crisis induced Khrushchev to back away from his gamble. His credibility as well as the influence of Castro and Communism were considerably diminished. But these gains have since been partly dissipated.

Communists and their sympathizers can now make headway in Latin American trade unions, in universities and among the discontented generally. Growing uncertainty is causing flights of capital and discouraging investments sorely needed to get the Alliance for Progress moving.

6. The uncompromising assertion of our bipartisan objectives by word and deed is vital in rallying support for measures to realize our goals.

Our determination to see Cuba free and independent can be demonstrated now by helping qualified Cuban refugees to prepare themselves for democratic leadership. They should be given a chance to use their language and skills in the struggle for freedom throughout Latin America.

Our commitment to prevent the spread of Castroism should be implemented in cooperation with the threatened countries by working out unified defenses against the infiltration of Communist propagandists, terrorists and guerrillas. Their movements should be more effectively controlled and freedom fighters trained to counter their tactics.

We are confronted with a clear and present danger of more "Cubas" in Latin America. To turn the tide, we must not permit preoccupation with risks to impose paralysis on action. Consideration of this issue must not degenerate into a partisan wrangle.

An alliance for freedom is indispensable to the success of the Alliance for Progress. To that end Americans north and south of the Rio Grande should unite in a movement for a free Cuba.

FREEDOM HOUSE BOARD OF TRUSTEES

Roscoe Drummond, Chairman; Harry D. Gideonse, president; Leo Cherne, chairman, executive committee; Harry J. Carman, George B. Ford, honorary chairman; Rex Stout, treasurer; Mrs. Henry Gale, assistant treasurer; George Field, executive director; Herbert Agar, Irving Brown, Ernest Cuneo, Christopher Emmet, Arthur J. Goldsmith, Nathaniel L. Goldstein, Mrs. Andrew Jackson, Jacob K. Javits, Maxwell A. Kriendler, John V. Lindsay, Edgar Ansel Mowrer, Dwayne Orton, Mrs. Bonaro Overstreet, Rudolph Rathaus, Whitelaw Reid, John R. Richardson, Jr., Elizabeth M. Riley, Francis E. Rivers, Mrs. Kermit Roosevelt, Elmo Roper, Eric Sevareid, Whitney North Seymour, Mrs. Caroline K. Simon, Nathaniel Singer, Gerald L. Steibel, Herbert Bayard Swope, Jr., James J. Wadsworth, William L. White, Roy Wilkins.

RESOLUTION ADOPTED BY THE DOWNSTATE NEW YORK DIVISION OF THE POLISH AMERICAN CONGRESS

Mr. KEATING. Mr. President, the ruthless murder of 14,000 Polish officers 23 years ago was recently commemorated by the downstate New York division of the Polish American Congress. This brutal act of genocide committed by Soviet NKVD agents in 1940 still remains unpunished, and, at the present time, Poland still remains the exploited victim of Soviet imperialism, subjugated to the force and terror of Communist tyranny. In my judgment, the United States—in fact, the entire free world—cannot afford to neglect the hopes and ideals of these freedom-loving people.

Mr. President, I ask unanimous consent that the resolution adopted by the downstate New York division of the Polish American Congress be printed in the RECORD following my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas 1,200 American friends of the cause of a free Poland are assembled this 10th day of March 1963, in the Polish National Hall, 19 St. Marks Place, New York, under the auspices of the Downstate New York division of the Polish American Congress, for the purpose of commemorating the 23d anniversary of the brutal murder of 14,000 Polish officers, professors, scientists, priests, and other leaders of Polish life in the Katyn Forest of Russia; and

Whereas a special congressional committee following the conduct of hearings in the United States and Europe, found substantial evidence that this infamous crime was committed by Soviet NKVD agents in the spring of 1940; and

Whereas the U.S. Congress forwarded these findings to the Secretary of State requesting him that all of the evidence produced at these hearings as well as the record be transmitted to the Geneva Assembly of the United Nations; and

Whereas the then Secretary of State failed to pass on these findings and this evidence to the Assembly of the United Nations; and

Whereas this murder at Katyn perpetuated by Soviet Russia and constituting one of the worst acts of genocide in the recent history of mankind still remains to be formally brought to the attention of the Assembly of the United Nations: It is hereby

Resolved, That the perpetrators of this crime must be punished; that the continued evasion by free nations of their responsibility to Poland, their loyal ally during World War II must cease; that we join with every friend of liberty in a continuing effort to bring to justice those who were responsible for this massacre; and be it further

Resolved, That this meeting calls upon the Honorable Dean Rusk, Secretary of State, the Honorable J. William Fulbright, chairman of the Senate Foreign Relations Committee, the Honorable Thomas E. Morgan, chairman of the House Foreign Relations Committee, the Honorable Jacob K. Javits and the Honorable Kenneth B. Keating, U.S. Senators from New York, to make every effort to bring the findings of the special congressional committee investigating the Katyn massacre to the attention of the Assembly of the United Nations, with the demand that the perpetrators of this crime be punished in order that the ideals of justice may be made to prevail.

WLADYSLAW BORZECKI,
Chairman, Resolutions Committee.
FELIKS POPLAWSKI,
EDWARD WITANOWSKI.

RIGHTS-OF-WAY FOR ELECTRIC TRANSMISSION LINES OVER FEDERAL LANDS

Mr. MORSE. Mr. President, I shall speak briefly this afternoon on two subjects: First, dealing with the problems arising in connection with the granting of rights-of-way for electric transmission lines over Federal lands; and second, dealing with some of the problems that are arising in connection with what I consider to be, under international law, illegal conduct on the part of certain Cuban exiles in the United States.

Turning to the first subject matter first, I was very happy to learn that last weekend the Interior and Agriculture Departments gave final approval to new regulations governing the granting of

rights-of-way for electric transmission lines over Federal lands. Secretaries Udall and Freeman have demonstrated that it is possible to protect the public interest in spite of the pressure of utility interests which want free access to the public domain.

Last week the distinguished Senator from Wyoming [Mr. SIMPSON] submitted for the the RECORD a column from Newsweek entitled "Whose Lands Are These?" written by Mr. Raymond Moley. It was in response to the announcement of the two secretaries on granting rights-of-way for electric transmission lines over public lands that Mr. Moley wrote his article.

Mr. Moley was talking about the public lands; and if I did not know him better I would have expected from the title to hear that the public lands belong to the people of the United States, through their Government.

This is not the way Mr. Moley sees it. He viewed the public domain as the property of the private power companies.

Referring to Mr. Moley's column, Senator SIMPSON expressed the fear that the private utilities may be forced to "importune" the Government for "the right of existence" if the new regulations go into effect, requiring the companies to wheel Government power when excess capacity is available.

Mr. Moley goes even further and says that a Government policy attaching conditions to the granting of rights-of-way across these public lands would, "in effect, be violations of primary rights of property."

That is very interesting language—"primary rights of property." Whenever I read that sort of language, I am always looking for the definition. That is what we call the use of an emotional sanction. The question may be asked, "What is meant by 'primary rights of property'?" What do they accomplish?

This is a very interesting journalistic technique. It involves the use of phrases that can be characterized as emotional sanctions that stir the thalamus rather than the cortex.

When we start dealing with "primary rights of property," we must deal with legal definitions.

As I say, Mr. Moley talks about "violation of primary rights of property."

This is curious reasoning indeed. The proposed regulations were in effect in pretty much the same form from 1948 and 1954 and during that period some 84 rights-of-way were granted to utilities which willingly, if not cheerfully, agreed in return to carry Government power where excess capacity was available. It was not until the heyday of the Eisenhower "partnership" with the private utilities that the regulations were rescinded, under circumstances which needed the careful scrutiny which they received from a congressional committee.

Senator SIMPSON says that in imposing a wheeling requirement in exchange for a right-of-way across the Federal lands the Government is somehow violating the sanctity of company property. Or, as he said, the power companies "are seeking to build a house in which the Federal Government demands the right of entry as a building prerequisite."

If a fellow came to me and asked for permission to build a road across my farm, I might give him permission to do so if it did not damage the farm unduly. If I were a hard-headed business man, I might sock him with a substantial bill for the valuable right-of-way. At the very least, I feel sure that I would ask permission for me and my family to use the road, since it crossed our property. Only if I were in an exceptionally generous mood would I agree to use this road only at times when it would not inconvenience him.

In my view, the Interior and Agriculture Departments have adopted the generous view, in proposing that only excess capacity would be used to carry Government power, capacity not needed by the utility for its own deliveries.

What could be fairer? What could be more equitable?

Let us not forget for one moment that these lands belong to the people of the United States and are held in trust for them by their government. In asking permission to construct transmission lines over them, the power companies are asking a favor of no small magnitude.

Mr. Moley remarks in his column that "for such easements and rights-of-way, they—the power companies—pay to the Federal Treasury."

Mr. Moley does not say how much they pay. That is quite understandable, because it is so little that it would damage his argument rather than strengthen it. It is a token payment, roughly covering the cost of administering the permit. To compare these payments with the cost of acquiring right-of-way from private owners of land, possibly resorting to time-consuming condemnation proceedings, indicates the magnitude of the gift which these companies receive when they are permitted to build lines across the public domain.

And let us take a look at these allegedly onerous conditions which they must accept along with the gift:

First, the Government reserves the right to use excess capacity in the lines to transmit power—at its own expense. Second, where additional capacity is needed, the Government would have the right to add it, again at Government expense. And, third, where the proposed private transmission lines would conflict with the power-marketing program of the United States, companies could be refused permission to cross public lands but not, it should be pointed out, permission to build the lines elsewhere. In other words, the companies may build duplicating lines if they will, but not on Government land.

I fail to see how the first or second conditions could damage the utility companies in any way, except in weakening their monopoly position in some areas. Their power moves first, and in a manner to be determined wholly by the company.

But let us examine this monopoly question. The top spokesman for Pacific Gas & Electric Co., in hearings on this question back in 1955, said frankly that P.G. & E. did not want to wheel Government electricity because "there is no reason why in my opinion we should permit our lines to be used to enable the Government to take away our customers."

Here we get to the heart of the matter. That spokesman was the company's executive vice president, Mr. Gerdes, and the customers he was talking about were the so-called preference customers, entitled by law to first call on power from the Central Valley project in California. With the wheeling requirement, as with Federal transmission lines, these municipalities and rural electric cooperatives could contract directly with the Government for power from the Federal projects. Without wheeling or transmission, the preference customers were obliged to buy their wholesale power from P.G. & E., at P.G. & E. prices, at the very moment the power company itself was enjoying low-cost Central Valley power. The congressional intent to pass along the benefits of this power to nonprofit groups was frustrated because a single utility controlled the transmission system.

Mr. Gerdes testified that his company reluctantly agreed to wheel Federal power, by agreement, in 1951, and subsequently the General Accounting Office found the deal most beneficial to the company, if not to Uncle Sam.

It was brought out during the same hearings, which were conducted by the Subcommittee on Public Works and Resources of the House Government Operations Committee, that virtually every major power company in the West took part in the effort to get the transmission line regulations repealed in 1954. He named them—Montana Power Co., Utah Power & Light Co., Colorado Public Service Co., Portland General Electric Co., the California Pacific Utilities Co., Washington Water Power Co., Public Service Co. of New Mexico, Arizona Public Service Co., Pacific Power & Light Co., California Electric Power Co., Southern California Edison Co., and perhaps some others. He explained that the list comprised "the principal electric companies in the western part of the United States where the lands are in substantial part owned by the Federal Government"—hearings, "Certain Activities Regarding Power," Department of the Interior, "Changes in Power Line Regulations," page 438.

Representatives of these companies got together to prepare a list of changes which they thought Interior should make in its regulations, you will recall, and the result was a memorandum, drafted in the offices of Idaho Power Co., and left on the most appropriate desk in the Interior Department by Herman Kruse, Pacific Gas & Electric's chief Washington lobbyist.

The memorandum was adopted—as the Chudoff subcommittee described it in its report:

> The changes in the regulations * * * were adopted by the Interior Department verbatim from an anonymous document delivered personally without a covering letter or memorandum by a registered lobbyist of

the Pacific Gas & Electric Co. to the then Solicitor and now Undersecretary of the Interior, Clarence A. Davis, following Mr. Davis' request to the lobbyist to secure for him the views of the western electric utility companies on the changes they would like to see in the regulations * * *. The anonymous document was prepared in the office of the Idaho Power Co., following consultations among the utility company attorneys.

Idaho Power presumably played a key role because in essence the wheeling requirement came out of a dispute between Idaho Power and the Government. It began in the late 1940's when the Bureau of Reclamation and Bonneville Power Administration studied the possibility of bringing low-cost power into southeast Idaho to make feasible the development of Idaho's rich phosphate reserves. The two agencies came up with a proposal that the United States construct, own, and operate a transmission line across southern Idaho in order to bring low-cost power into the area. Within a few weeks after this proposal was made, Idaho Power applied to the Bureau of Land Management for a right-of-way easement over public lands to permit construction of the identical 230-kilovolt line proposed in the Bonneville-Bureau report. The Interior Department proposed that the Government would grant the right-of-way on condition that it would reserve the right to transmit Federal power over any unused capacity of the line upon payment of an equitable share of the operation and maintenance costs. This led to issuance of a general regulation embodying the terms of the proposal to Idaho Power.

The company refused to go along, withdrew its request for a right-of-way permit, and instead asked the Federal Power Commission to approve the 230-kilovolt line as a project line for the 70,000-kilowatt Bliss project. At the Interior Department's request, the Bliss license included a similar wheeling provision in the license, and the U.S. Supreme Court upheld the validity of the provision.

Meanwhile, the regulation remained in effect, and as I mentioned earlier, some 84 rights-of-way were granted, subject to the wheeling requirement.

So much for the wheeling requirement. The third condition which is imposed by the new regulations seems to be entirely noncontroversial, in my opinion. It states that where the proposed private transmission lines would conflict with the power-marketing program of the United States, companies could be refused permission to cross public lands.

This could require the companies to relocate their lines in order to build them on private property, or it could lead to a healthy reconsideration of plans in order to provide the most economical delivery for government and private customers alike. In any case, I believe that just as I could turn down a request to build a road through my front lawn the Agriculture and Interior Departments have the right to prevent unnecessary duplication of lines, which after all will mean unnecessary despoilation of the public lands.

The key here, however does not lie in the new regulations. The Departments have a broad authority to protect the public lands, conferred in several rights-of-way statutes.

A joint statement issued recently by both Departments, announcing final approval of the regulations, said it this way:

Both Departments have general authority to grant or deny rights-of-way over Government lands in the public interest. The purpose of the new regulations is to make clear that the two Departments intend to exercise this authority in acting upon rights-of-way and to condition the granting of rights-of-way on the applicant's making surplus transmission capacity available for wheeling power for the Government. The Department of the Interior relies extensively upon wheeling arrangements with other utility systems to carry out the congressional intent of delivering Federal power to public bodies and cooperative customers at lowest rates consistent with sound business principles.

In my view the Departments have not only the authority, but also the responsibility to "grant or deny rights-of-way over Government lands in the public interest," Mr. Moley to the contrary notwithstanding. I commend the Departments for making it clear that they intend to exercise this responsibility. Whose lands are these? They belong to the American people, Mr. Moley, and our Government is exercising its trust in their behalf.

Mr. President, I would have Mr. Moley well understand that. For 18 years I have served in the Senate, in part as a watchdog, seeking to protect the users of public preference power. It has been a tough fight. It is not over, for periodically the selfish interests of this country which want to put private interests above the public interest try to make a raid through various mouth organs such as, in this instance, Mr. Moley, writing for Newsweek, whose record has been a rather shabby one over the years in defense of the selfish interests of private utilities of this country. But so long as I sit at this desk, I intend, when this kind of propaganda is given to the American people, to answer it.

In my judgment, the Secretary of Agriculture and the Secretary of the Interior are deserving of the sincere thanks of the American people for the new regulations which they have issued. They are really, after all, a revival of old regulations to protect the interests of the public against an attempt by the private utility combine in this country to turn the public domain, belonging to all the people, into their own private domain.

I want Mr. Moley to know that if this is the beginning of a new fight in defense of the best interests of the public power preference users of the country, I welcome it, as I have in the past, when the fight has been made on the floor of the Senate to protect the interests of the users under the public preference clause.

Mr. President, on a related matter, I ask unanimous consent to have printed at this point in the RECORD testimony which I gave today before the Committee on Interior and Insular Affairs concerning the Pacific Northwest intertie power line.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WAYNE MORSE BEFORE SENATE INTERIOR COMMITTEE ON S. 1007, APRIL 1, 1963

Mr. Chairman and members of the committee, I appreciate the opportunity to submit this statement in support of S. 1007, a bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority. The following factors are of great importance and I trust they will receive serious consideration by the committee:

1. The Pacific Northwest's economic growth—past, present, and potential—is inseparably linked with the development of Federal hydroelectric power. In his statement to this committee last year, Bonneville Power Administrator Luce most adequately delineated the importance of Federal power in our region. He stated:

"For years industries in the Pacific Northwest have been important customers of the Federal system. Their purchases have varied from more than 60 percent of the energy sold by Bonneville Power Administration in 1945 to an average of approximately 36 percent during the past 4 years. Their original plant investment is more than $350 million. Their plant replacement cost would be double that figure. They employ 15,000 Pacific Northwest citizens directly and another 30,000 indirectly. The utility of those plants and the thousands of jobs which they have made possible are directly dependent upon the maintenance of a low-cost power supply. If Pacific Northwest Federal power—and that area has no low-cost alternative—is diverted to other regions, many of these industries would have to stop production. The Nation would not gain by shutting down these plants in order to export the power from the Pacific Northwest, and the impact on that region would be catastrophic."

2. Prime income-producing activities in the Pacific Northwest are lumber, agriculture, and tourism. All three are subject to the whims of weather. All three exhibit severe seasonal fluctuations and are highly sensitive to business cycles. Lumber and agriculture are presently confronted by serious problems and are subject to drastic fluctuations due to demand in elasticity and international marketing problems. Electroprocess industries provide stable payrolls. Low-cost power compensates for our long distances from major markets and supplies industrial incentive for creation of new jobs.

3. Water is the source of our electricity. We have no proven reserves of gas or oil, and known coal resources are limited. Approximately 96 percent of our firm energy capability is hydro and about 62 percent of this hydro is owned and operated by the Federal Government. No other area in the country is so dependent on hydropower and, only the Tennessee Valley exceeds this region in percentage of federally owned generation.

4. The people of the Pacific Northwest are paying off the Federal Government's power investment there—with interest. To date they have returned to the Treasury over three-fourths of a billion dollars.

5. An electrical interconnection between the Pacific Northwest and California was outlined as early as 1935 by the Pacific Northwest Regional Planning Commission, which included a representative of the State of Oregon. With the knowledge that such transmission link is technically and economically feasible, the Department of the Interior has this year requested $24 million

to begin construction of this extra-high-voltage line.

6. A common-carrier, high-capacity interconnection linking the electrical systems of the two regions will provide enormous benefits to both areas. With public and private electric systems participating and with optimum facilities, it is currently estimated benefits would exceed costs by a ratio of more than three to one. The economic benefits which would accrue to BPA would restore Bonneville's surplus repayment picture, open a market for nonfirm, dump power, and provide a means by which the Pacific Northwest could obtain additional firm power when needed in the future.

7. The Senate Committee on Interior and Insular Affairs has long recognized the need for proper protection of the interests of power consumers in any energy or capacity interchange involving Federal power. In a resolution of June 21, 1960, the committee requested that no contract be made for transfer of BPA power to California pending completion of further studies and consideration of legislation to preserve the position of BPA customers in the Northwest. I joined with other Northwest Senators in asking the then Secretary of the Interior Fred A. Seaton to act in accordance with that resolution.

8. Interconnection of the Northwest and Southwest by major transmission facilities will soon be a reality. Already the Bonneville Power Administration has received six offers to build all or part of the extra-high-voltage line. A Federal request for an appropriation of $24 million to begin construction of a Federal intertie is now before Congress. New technology has made it possible to use such lines to transmit power from northern Washington to southern California.

A solution to the problem pointed up by hearings held by your committee in 1959 and 1960 should insure two things: It must (a) protect against raiding the resources of one region to make rich another and (b) provide for an orderly and equitable share of benefits between regions. I believe that maximum mutual advantage can be achieved without Balkanization and without doing violence to traditional power marketing policies.

Integrated operation can produce benefits for individual electric systems which are impossible with isolated operation. Power pooling in the Northwest provides a practical demonstration of this fact. Coordination has produced benefits impossible of achievement by power producers operating singly, and this has been accomplished without infringement upon the basic rights and responsibilities of particular utilities. Technology has increased the opportunities for mutually advantageous cooperation. Organization and operational patterns must keep pace.

In 1962, similar legislation was considered by this committee, and passed by the Senate. At that time, Mr. Luce informed the committee, of the exhaustive review which preceded the submission of this proposal by the Department of the Interior. The bill has wide support, including the general backing of private and public utilities throughout the Northwest, and has received bipartisan support in Congress. The committee in its study of this legislation gave full consideration to the comments of residents of the Northwest last year when S. 3153 was acted upon favorably. I know that the committee will reiterate its positive position of last year, and act favorably on S. 1007 in recognition of the vital stake of the people of the Northwest in the ultimate decision of Congress on this matter.

The good of the Northwest, Southwest, and in fact the whole Nation will be served by establishing ground rules which will permit cooperation and coordination in use of our surplus electrical energy resources for the maximum benefit of all.

Mr. MORSE. Mr. President, I should like to ask the distinguished senior Senator from Florida if he wishes to have me yield to him, without my losing the floor, so that he may make an announcement.

Mr. HOLLAND. Mr. President, I wish to make a brief announcement relative to the ratification of the anti-poll-tax amendment by two additional States. I realize the distinguished Senator from Oregon has finished one of his subjects. Before he proceeds to another, I wonder if he would yield to me for the time necessary to make the announcement and to respond to the comments which Senators may wish to make.

Mr. MORSE. Mr. President, as is my custom, I am delighted to yield to a colleague in a situation such as this. Without losing my right to the floor, I yield to the distinguished Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator from Oregon.

RATIFICATION OF ANTI-POLL-TAX AMENDMENT BY KANSAS AND MASSACHUSETTS

Mr. HOLLAND. Mr. President, I am pleased to announce that two additional States have ratified the anti-poll-tax amendment which would eliminate the payment of a poll tax or any other tax as a requirement for voting for President or Vice President, for electors for President or Vice President, or for Senators or Representatives in Congress.

These two States, I am delighted to note, are Kansas and Massachusetts. This brings the number of States whose legislatures have ratified this most important amendment to the Constitution to 29. As Members of the Senate are aware—for a constitutional amendment to become valid—article V of the Constitution requires ratification by three-fourths of the States of the Union or 38.

Mr. President, the Kansas Senate, on March 21, ratified the anti-poll-tax amendment by a vote of 24 to 8, the the Kansas House having previously ratified the amendment on March 14 by a vote of 111 to 0.

I wish to express my profound appreciation to my distinguished colleagues from Kansas, Senator CARLSON, who cosponsored and supported my resolution to passage in the Senate and has worked diligently in seeking its ratification by his State's legislature, and Senator PEARSON, who supported my resolution in the Senate and has likewise directed his efforts toward ratification by the legislature of his State.

I should like to add that his predecessor, Senator Schoeppel, was among the 67 cosponsors of my resolution, but passed away prior to its passage by the Congress and its submission to the States. His distinguished successor, Senator PEARSON, has continued to give leadership in this important field.

In the case of Massachusetts, the assembly of that State's legislature approved the anti-poll-tax amendment on last Thursday, March 28, by a vote of 223 to 0, completing ratification by Massachusetts, the Senate having previously approved the measure on March 27 by a vote of 36 to 0.

I am, indeed, indebted to both the distinguished Senators from Massachusetts [Mr. SALTONSTALL and Mr. KENNEDY] for their leadership in this matter. Senator SALTONSTALL cosponsored, and supported my resolution in the Senate, and lent his assistance toward ratification of the amendment by the Massachusetts Legislature, and Senator KENNEDY has been most helpful since he became a Member of this body in securing the gratifying action which I am announcing today. I wish to thank Senator KENNEDY very much for having gone to the trouble personally to send word to me from Massachusetts on Friday about the action taken unanimously by the legislature of his great Commonwealth.

Mr. KENNEDY. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the distinguished junior Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator from Florida for his very kind and gracious remarks. I am delighted, as well, that Massachusetts gave the very fine bipartisan support to the amendment, such as we have seen exhibited by so many other States.

I wish to join with the score of voices from this body in commending the outstanding work which has been done by the distinguished Senator from Florida. It has been an honor for me to be able to work with him on this important amendment, and to render what small assistance we have been able to provide.

Mr. HOLLAND. Mr. President, I express my deep appreciation to the distinguished Senator from Massachusetts. In my humble judgment, if he continues in the path of service which he is following—having been so helpful, constructive, nonpartisan, and, I think, truly patriotic in this matter—he will achieve a great record as a Senator.

Mr. KENNEDY. I thank the Senator from Florida.

Mr. HOLLAND. Mr. President, in connection with the good news of today, I ask unanimous consent to have printed at this point in the RECORD the very fine letter written by the distinguished senior Senator from Tennessee [Mr. KEFAUVER] to the editor of the Washington Post, the letter having been published in last Thursday's edition of that newspaper, on March 28. I particularly appreciate the statement in his letter to the Washington Post that the demise of the poll tax in Tennessee has resulted in a "healthy increase in the percentage of voter participation" in his State. I found the same thing to be true in Florida, after Florida eliminated the State poll tax requirement in 1937. I again congratulate the distinguished Senator from Tennessee upon his leadership in this matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ADDING COUP DE GRACE

As chairman of the Senate Subcommittee on Constitutional Amendments, I read with interest your editorial of March 22 applauding the fact that 24 States have now approved the proposed 24th or anti-poll-tax amendment to the U.S. Constitution.

I expect that many readers were intrigued by the map which you printed, showing the State of Tennessee, which was the first Southern State to approve the amendment, surrounded by other States that have not yet done so. This is no legislative accident, but is in keeping with the progressive traditions of Tennessee, and with a historic stubborn anti-poll-tax sentiment among Tennesseans.

The Tennessee Legislature first voted to eliminate the poll tax as a prerequisite for voting in 1943. This was frustrated by a decision of the Supreme Court of Tennessee, which held the act unconstitutional. In 1953, this court decision was overruled by an amendment to the State constitution which finally eliminated the poll tax requirement.

Since the demise of the poll tax restriction in Tennessee, there has been a healthy increase in the percentage of voter participation, and I am proud that our legislature has approved the amendment to eliminate this voting restriction from the Nation as a whole.

ESTES KEFAUVER,
Chairman, Senate Subcommittee on Constitutional Amendments.

Mr. KEFAUVER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. I wish again to congratulate the Senator from Florida for his leadership on behalf of the ratification of the 24th amendment. As he has stated, there is no organized group or paid lobby behind this effort. The great success of the proposed amendment has been due to the interest of all Members of the Senate and the interest which we have been able to generate in our own States through the Governors and members of the legislatures.

I am very happy that Tennessee was the 25th State to ratify the amendment. At that time I said that a large part of the credit was due the Governor, Hon. Frank Clement, and two members of the general assembly, who took the lead in behalf of ratification, Senator Robert C. Taylor, of Nashville; and Representative Ray R. Baird, of Rockwood.

I am proud of the fact that Tennessee was the 25th State—and the only State in that section of the country—to ratify the amendment. I am also proud that this action was taken by overwhelming majorities in both the senate and the house of representatives.

Mr. HOLLAND. Mr. President, again I thank my distinguished friend, who, himself, has been so greatly responsible for the action taken by his State.

Mr. President, yesterday there was published in the Florida Times-Union, of Jacksonville, Fla., a fine article written by John Chadwick, of the Associated Press. It is a well written, factual summation of the situation in regard to this amendment; and the article states, in a more comprehensive manner than anything else I have seen, the situation at this time. With 29 States having ratified the amendment and with ratification by 9 more required to complete action on this important proposal—and it will be difficult to get them all, this year—the picture is fully painted by Mr. Chadwick in his article. I ask unanimous consent that the article, entitled "Anti-Poll-Tax Amendment Needs Ratification by Nine More States," be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANTI-POLL-TAX AMENDMENT NEEDS RATIFICATION BY NINE MORE STATES

WASHINGTON, March 30.—Will an anti-poll-tax amendment be written into the Constitution before next year's elections?

The proposed amendment, approved by Congress last summer, must be ratified by the legislatures of 38 of the 50 States to become effective.

As of today, it has been ratified by 29 States. This leaves 9 to go, with 15 other State legislatures now in session or to be in session before the end of the year.

SIX STATES OPPOSED

What's the outlook in these 15 States? In six of them, ratification is unlikely. Backers of the amendment are not counting on approval by Alabama, Georgia, Louisiana, North Carolina, South Carolina, or Texas.

This means the other nine States all must ratify if the amendment is to become effective this year.

In three of these States, Arizona, Iowa, and Missouri, one branch of the legislature has approved the amendment but not the other. In Delaware, Maine, Nebraska, New Hampshire, and Oklahoma neither house has acted yet. The Florida Legislature doesn't meet until next week.

HOLLAND OPTIMISTIC

Senator SPESSARD L. HOLLAND, Democrat, of Florida, chief sponsor of the amendment, said today he regards as excellent the prospects for ratification by the Florida Legislature.

The amendment would outlaw payment of a poll tax, or any other tax, as a requirement for voting in presidential or congressional elections.

Only five States—Alabama, Arkansas, Mississippi, Texas, and Virginia—now make poll tax payments a requirement for voting.

HOLLAND first introduced an anti-poll-tax amendment in 1949 and has been plugging for it ever since.

The Senate approved the amendment by a 77 to 16 vote last March 27 and the House by a 294 to 86 vote August 27.

HOLLAND says that abolishing the poll tax will make an important contribution to better government by bringing about greater participation of qualified voters.

DEPLORES PRICE IN VOTE

"I have strongly felt for many years that the voter who is otherwise qualified should not have a price set upon his right to participate in the selection of his national leaders," he says.

"Nor do I believe that the qualified citizen's right to vote in a national election should be abridged or denied because of his failure through poverty or oversight to pay a poll tax or any other tax."

His fight against the poll tax goes back to his days as a State legislator. He played a key role in Florida's elimination of its poll tax in 1937 when he was a member of the State senate.

But HOLLAND, like other Southerners in Congress, battled bills introduced year after year by civil rights advocates to wipe out the poll tax by statute.

Illinois was the first State to ratify HOLLAND's amendment, completing action last November 14. Since then it has been ratified by the Legislatures of New Jersey, Oregon, Montana, West Virginia, New York, Maryland, California, Indiana, Rhode Island, Michigan, Alaska, Ohio, Idaho, Hawaii, New Mexico, Utah, Minnesota, North Dakota, Colorado, Vermont, Washington, Nevada, Tennessee, Connecticut, Pennsylvania, Wisconsin, Massachusetts, and Kansas.

The Mississippi Legislature is the only one that has voted to reject the amendment, but the Legislatures of South Dakota, Wyoming, and Arkansas adjourned this year without acting on it.

HOLLAND told the Senate the other day that the legislatures of 9 States had ratified the amendment unanimously and that in 12 other States either the house or the senate ratified without a dissenting vote.

The closest vote was in the Montana house, where ratification was voted 56 to 37. But the Montana Senate voted for ratification 51 to 4.

HOLLAND has credited Senate colleagues, both Democrats and Republicans, with yeoman service in bringing the amendment to the attention of State officials and urging its ratification.

But he told the Senate that "there is no lobby behind the effort. Not a nickel's worth of money from any source in pushing it."

Mr. HOLLAND. Mr. President, again I thank the Senator from Oregon [Mr. MORSE] for his courtesy, which I have learned to expect from him during all these years of friendly association. He is always courteous to his colleagues, and particularly to his seatmate, the Senator from Florida.

Mr. MORSE. Mr. President, I wish to say to the Senator from Florida that from day to day I await with great anticipation the reports by the Senator from Florida on the progress which his anti-poll-tax amendment is making throughout the country.

As I have said before, and I repeat today, one of the greatest contributions to the civil rights issue, and one which is completely helpful in connection with a most important part of it, is made by the Senator's anti-poll-tax amendment. Certainly their right to vote is a civil right which is completely basic to freedom for Americans. In that connection, the anti-poll-tax amendment is most important.

I wish to say to the Senator from Florida that although, as usual, he speaks with considerable understatement when he discusses the prospects for incorporation of his anti-poll-tax amendment in the U.S. Constitution, I venture to predict—dangerous though prediction is—that his amendment will be ratified by a sufficient number of States and will become part of the Constitution of our country at a very early date.

Mr. HOLLAND. Mr. President, the courtesy of the Senator from Oregon always overwhelms me.

As he knows, I am very greatly interested in the right to vote, and have been for many years. In that connection, I found that even in my own State, literally thousands of citizens were prevented from voting, either by penury or by other circumstances, when we had a poll tax. Certainly it is most impor-

tant that every citizen, whatever his circumstances, have an opportunity to vote for electors for President and Vice President and for Senators and Representatives in Congress; and certainly his right to vote will be protected if this amendment is ratified by a sufficient number of States and becomes part of the U.S. Constitution.

So, all of us are very much interested in having it ratified. No one has helped more in that connection than the Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Florida is quite correct when he says that all of us are very much interested in having the amendment ratified. Whenever exercise of the right to vote is made difficult of attainment by any citizen, of whatever color, full citizenship rights are denied him. So I believe it most important that every American citizen be given ample opportunity to exercise the precious right to cast a free ballot.

ACTIVITY OF CUBAN REFUGEES AND THEIR RECENT FORAYS AGAINST CUBA

Mr. MORSE. Mr. President, events of recent days have brought to the fore a matter which has largely been ignored in this country, although it can cause painful consequences if it is ignored any longer. That is the activity of the Cuban refugees and their recent forays against Cuba.

Not much has been said about the fact that since the Castro government took power, some 250,000 Cubans have come to the United States, nearly all of them simply as guests of the United States. They are not here under immigration quotas, but are outside them. They are here in a form of asylum, despite the fact that it has never been a normal practice for the United States to receive political refugees, except as immigrants who have come to live here as permanent residents.

As noted in Hackworth's Digest of International Law—volume II, page 622:

> The Government of the United States has strongly disapproved of the principle of asylum as such and has declined to recognize or subscribe to it as a part of international law.

Yet about 95 percent of the registered Cuban refugees over the past 2 years have entered this country under a visa waiver, and are on parole here.

The provision of law which authorizes such a proceeding is section 212(d)(5), which reads:

> The Attorney General may in his discretion parole into the United States temporarily under such conditions as he may prescribe for emergency reasons or for reasons deemed strictly in the public interest any alien applying for admission to the United States, but such parole of such alien shall not be regarded as an admission of the alien and when the purposes of such parole shall, in the opinion of the Attorney General, have been served the alien shall forthwith return or be returned to the custody from which he was paroled and thereafter his case shall continue to be dealt with in the same manner as that of any other applicant for admission to the United States.

There appears in the same statute, the Immigration and Nationality Act of 1952, the following provision, just a few paragraphs after the provision I have already cited:

> Whenever the President finds that the entry of any aliens or of any class of aliens into the United States would be detrimental to the interests of the United States, he may by proclamation, and for such period as he shall deem necessary, suspend the entry of all aliens or any class of aliens as immigrants or nonimmigrants, or impose on the entry of aliens any restrictions he may deem to be appropriate.

We know that the use of the mass parole provided by the 1952 act, although contrary to American practice, and quite unique in our history, was completely justified on humanitarian grounds alone.

We have done more than merely admit these people. Over three-quarters of them have sought and have received cash assistance. Thus far, the Federal Government has spent more than $50 million in direct financial aid. The cost of medical care, educational benefits, and other items is not counted in that total. The current rate of grant assistance is running at about $2½ million each month.

Because of the difficulties experienced in handling this sudden influx into the Miami area, over 50,000 refugees have resettled in other parts of the United States. Many of them have obtained jobs, with the help of the Federal Government.

Mr. President, I do not question for a moment the good faith of all the Cuban refugees. They have been grateful for our assistance, and in many cases, have repaid our financial help as soon as they were able to do so.

But it is also true that all of them are here on a temporary basis, under special regulation. Save for an early wholesale return to Cuba, their status in time will have to be regulated by special legislation by the U.S. Congress.

RESPONSIBILITIES OF CUBAN REFUGEES

While they are here, however, it is not amiss to remind them that they are expected to observe all the laws, and to respect the foreign policy objectives of the United States.

Nor is it for Cuban refugees to determine U.S. foreign policy. It is not for Cuban refugees to attempt to determine American foreign policy. It is for Cuban refugees never to forget for one moment that they are here as our guests. We are providing them with a sanctuary. We are providing them with protection. They are not in the United States with any rights, legally or morally, to use the territory of the United States for activities aimed at implicating American foreign policy in situations that might very well lead to war.

I wish to stress that point by way of digression, because I know that what I am now saying will not be music to some ears. The responsibility for American foreign policy rests with the American Government and not with Cuban refugees.

One of the most important, and most critical of these foreign policy objectives is the removal of the forces of the Soviet Union from the island of Cuba. The type of raid on Cuba which has been carried on recently is certainly more of a display, built up by publicity and advertising, than a genuine assault on the Russo-Cuban armed forces in Cuba; it does nothing to hurt or diminish those forces. But it certainly gives the Russians a justification for remaining to protect Cuba.

Similarly, the raids give Castro justification for increasing his indigenous armed forces, and for taking sterner measures against the Cuban people.

Yet in neither case do the raids inflict any real damage or harm upon either the Castro forces or the Russians.

There is the even more important consideration that the repercussions of raids planned and staged by the Cuban refugees will bring patrol actions that will draw American forces into the picture. The shooting at U.S. ships on the high seas is one ramification of this possibility. Increasing measures taken by the Russo-Cubans against the raids will, sooner or later, be directed against Americans, either civilian or military, who may have every right to be where they are, but who will nonetheless feel the brunt of these defense measures by Cuba.

The repercussions of these raids, in other words, will undoubtedly have to be borne by the United States and not by the Cuban exiles at all. It is here where the real danger of them lies. In the end, the confrontation between ourselves and the Soviet Union could build into proportions that would once again threaten us and the world with war.

I do not rule out the possibility that such a confrontation could again occur. But if we are forced into such a situation, it should be on behalf of ourselves and not because we were forced into it by a hotheaded group of guests in our own house.

It is not outside the realm of possibility that such a climax is exactly what the exiles' raids are designed to bring about. One cannot help but wonder what the real objective of the raids may be, when it is so evident that they are completely inconsequential in their military effects.

A final reason why the raids are harmful to American foreign policy interests is the bad precedent they set for other exiles in the hemisphere. So long as these raids have any connotation of American support, approval, or even permission, they encourage exiles from other Caribbean countries to begin the same type of operation in order to return to power.

We know that conditions in Haiti parallel those in Cuba; there are Haitian exiles in the United States, too, who may be encouraged to undertake raids against Haiti. And who is to say but what the change of government in Guatemala may create a faction of exiles seeking to overthrow its new military regime.

The Caribbean is too unstable to permit the United States to become the home base of dissident elements from any of its member countries. If we ever do become such a base, we will become hopelessly entangled in the web of Caribbean politics.

STATUTES LIMITING INTERFERENCE IN FOREIGN COUNTRIES

We have many statutes on the books which restrict Americans and noncitizens alike from engaging in expeditions against other countries. One of these is the Neutrality Act which reads in part:

Whoever, within the United States, knowingly begins or sets on foot or provides or prepares a means for or furnishes the money for, or takes part in, any military or naval expedition or enterprise to be carried on from thence against the territory or domination of any foreign prince, or state, or of any colony, district, or people with whom the United States is at peace, shall be fined not more than $3,000 or imprisoned not more than 3 years, or both.

Some of the Cuban exile raiders claim they have violated no law because they jumped off from islands not belonging to the United States.

But we know they left from the United States as individuals and returned to the United States when the raids were over. I wrote to the Attorney General of the United States on March 20 about one of these raids and the application to it of this section of the law, section 960 of title 18 of the United States Code.

I shall read the letter into the record.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. McINTYRE in the chair). Does the Senator from Oregon yield to the Senator from Alaska?

Mr. MORSE. I yield.

Mr. GRUENING. I am much impressed with the cogency and logic of the Senator's argument. I have seldom found myself in disagreement with his public policies. But I wonder if he does not have a little sympathy for or understanding of people who have a burning conviction, people who are frustrated here, and are waiting on a policy of liberation which does not seem to eventuate. They would like to do something to bring it about even at the sacrifice of their own lives. History is full of the exploits of brave people who have been ready to die in fighting tyranny—tyranny of the kind that exists in Cuba. What shall we do about those people who are willing to risk their lives to strike a blow for freedom—the kind of freedom which we would like to see restored in Cuba? Is there not something to be said on that side?

Mr. MORSE. Not a thing. Not a single thing can be said on the side of people who desire to use a sanctuary in the United States to endanger 180 million Americans by following a course of action as exiles which they cannot reconcile with international law, and which may very well determine whether or not we engage in war or remain at peace. I favor a settlement of the Cuban issue, but not by a group of self-appointed diplomats to whom we have given sanctuary in the United States, and who obviously are seeking to follow a course of action that could very well embroil the United States in war.

I shall tell the Senate what I would have done down at the Roger Smith Hotel the other day when two of the exiles held a press conference at which they boasted to the world of the raid they had just carried out in Caribbean waters. I would have had them met with U.S. marshals.

Mr. GRUENING. I am not concerned about what a group of diplomats meeting in a hotel far from the firing line might do, but I think there is something to be said for young men who are so determined, who have seen such atrocities as those committed by the Castro regime in Cuba, who are willing to risk their own lives to go down there and strike a blow for freedom. I doubt whether such individual actions would imperil the safety of 180 million Americans.

Mr. MORSE. Of course it is going to imperil the safety of 180 million Americans. Suppose they sink a Russian ship. Suppose they sink a U.S. ship. I have not forgotten my history, about the sinking of the Maine. Does the Senator think that would not increase the possibilities and dangers of war?

I wish to say that American foreign policy must be run by America and not by Cuban exiles to any degree whatsoever.

If they were so anxious to die for freedom they could have stayed in Cuba.

Mr. GRUENING. They would either be shot or imprisoned in Cuba, and they would not be very effective, if either dead or imprisoned.

Mr. MORSE. There are many patriotic Cubans who are still in Cuba, in the Oriente Mountains, fighting for freedom in Cuba.

I do not object to the giving of sanctuary to those who want to leave Cuba, but I am objecting to Cuban exiles using the United States as a base, to the embarrassment of American foreign policy.

Mr. GRUENING. Is the Senator's objection that they returned to the United States after striking a blow for freedom? In other words, if they were to stay in Cuba and fight for the underground, would that meet the Senator's test?

Mr. MORSE. If they stayed in Cuba they would not be involving the United States, through their activities, in difficulties with Cuba.

We will handle Castro. But so far as the senior Senator from Oregon is concerned, the Cuban exiles in the United States should be told by the U.S. Department of Justice, as I shall point out in a moment in my manuscript, that we are going to enforce the law governing their sanctuary in the United States. If they do not like that, they can leave the United States. They have no right to stay in the United States and proceed to follow a course of action which jeopardizes American foreign policy.

Mr. GRUENING. The Senator's objection seems to be that they leave the United States and then come back to the United States. Suppose they should leave the United States and go to Cuba and fight in the underground. Would that still be objectionable to the Senator from Oregon?

Mr. MORSE. I think it would have been preferable if they had stayed there in the first place.

Mr. GRUENING. At the time, perhaps they did not realize we would not be able to be successful in the effort at the Bay of Pigs.

Mr. MORSE. The Senator means they did not realize we would not go to war.

Mr. GRUENING. No; that we would not give the support necessary to enable them to win.

Mr. MORSE. I do not take the position that we must have a bloody victory over Castro to defeat him. We will have a bloody victory over Castro if he forces us into a war, but I do not propose to let the Cuban refugees force us into a war with Castro.

We must reach that decision on the basis of our own independent judgment, as the people in charge of the Government of the United States, and not by way of collusive activities in which the Cuban refugees are engaging. There is no question, when we read their statements to the press, that what they want is a war between the United States and Cuba. That is what they are after.

It is the position of the senior Senator from Oregon that we must meet the Communist threat. We must continue our efforts. We must contain the Communist threat. We must continue, as the President did last October, to make it clear to Castro and to Khrushchev, "If you cross the line of defense into the area of aggression, then we will proceed immediately to protect our security."

But I do not propose to sit in the Senate in silence while a group of Cuban exiles in this country engages in various activities designed to embarrass American foreign policy.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. COOPER. Mr. President, I agree with the premise of the Senator from Oregon that no group has the right to decide extra-legally what shall be the foreign policy of the United States, and this must be true with respect to Cuba. It follows that Cuban exiles have no authority to take action—sympathetic as we are toward their plight and their cause—to decide what our policy and course of action shall be respecting Cuba.

I must say that what troubles me is that the action of the Cuban exiles is a part of a series of provocations and events that are a source of continuing danger. There are provocations which come from the other side, from Castro. Only recently American ships have been fired on by MIG planes, and we can anticipate that there will be additional provocations—firings upon American ships, and the mounting of subversions and even aggressions by Castroites against the countries of Latin America.

Though I do not speak directly to the Senator's point, I affirm the statement which I made in the Senate on February 11. I believe the presence of Soviet troops in Cuba provides to Castro the authority and backing, which will result in reckless provocations and continuing subversion against Latin American countries.

I hold that the United States ought to have a clear policy—which I do not think it has now—and it should be that we will not accept the presence of Soviet troops in Cuba, or any place else in this

hemisphere. It is their presence which gives authority to Castro, which will lead him to reckless actions, and increases the danger of war.

I am sure that the President is trying to secure the removal of Soviet troops, as Khrushchev promised, but we may reach the point where there will be a deadlock and the Soviets will not withdraw. Then I believe we would have to take sterner measures.

What I have said is not quite upon the Senator's point. I agree with the Senator's point that Cuban exiles cannot be allowed to make policy for the United States. But I would see greater hope for a Cuban solution if we insist that the United States will not accept the presence of Soviet troops in Cuba and this hemisphere.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I wish to say to the Senator from Kentucky, if I correctly understand him, that we are in agreement that American foreign policy vis-a-vis Cuba should be carried out by the United States, so far as our part in it is concerned, and that the Cuban exiles should not be allowed to assume any power of intervention in the determination of that foreign policy.

Secondly, I wish to say that no one could be more concerned about the presence of Soviet troops in Cuba than the senior Senator from Oregon. My Subcommittee on Latin American Affairs—in fact, the whole Committee on Foreign Relations of the Senate—is greatly concerned about it.

I wish to say that the President of the United States, in my judgment, is doing a magnificent job of leadership and international statesmanship in his international negotiations with the Russians concerning that matter.

However, there is one ugly fact to be faced. In mentioning it, I do not want to be interpreted as implying that we should in any way retreat from our position in connection with Russian troops in Cuba. But there is one ugly fact which we must face, and that is that under international law a Communist nation has the same sovereign rights as a free nation; and a Communist nation has the same sovereign right to negotiate its treaties, agreements, understandings, and alliances.

I have not yet exhausted the analysis of the international law concept concerning Russian troops in Cuba and their right to be there, so far as the relationship between Castro and Khrushchev is concerned; but I am satisfied that we should exhaust every possible resource of diplomacy in trying to arrive at an arrangement for their removal. The Cuban exile raids are not going to help such diplomatic negotiations. As I said earlier in my speech, we must watch both Castro and Khrushchev for excuses and alibis. They will seize upon every rationalization they can for delaying or suspending negotiations looking toward an agreement.

This afternoon I am only making the plea that the Cuban exiles understand clearly from the U.S. Government that they must conform to their obligations under sanctuary, and that they cannot be allowed to continue to pursue a course of action that could be interpreted by anyone as creating a critical situation which might very well lead to armed conflict.

I think the Senator from Kentucky is perfectly correct in stating that there will be many incidents. The shooting at an American ship the other day followed the Alpha 66 raid. The fact that we were not responsible for the Alpha 66 raid is not going to stop Castro and Khrushchev from saying that we were. That kind of propaganda, which the Russians are able to disseminate about the world, puts us in a very embarrassing situation.

The other night a group of us were discussing the subject, and the question was asked, "What would happen in a discussion of this situation in the United Nations, where the contention is made by the Red bloc, and by other countries which are not Communist countries, that we have the responsibility for doing a better job than is being done, to hold the Cuban exiles in check while we give them protection or sanctuary in this country?"

My plea today is that we make clear, not only to the Cuban refugees, but to the world, that we are going to conduct our own foreign policy, and that we will not tolerate any meddling with it or intervention in it by a group of patriotic Cuban exiles who would like very much to have armed intervention in Cuba on the part of the United States.

I had referred to a letter which I wrote to the Attorney General under date of March 20. It outlines in part the position of the senior Senator from Oregon. I stated in that letter:

DEAR MR. ATTORNEY GENERAL: I have called my office staff from Costa Rica, asking them to obtain for me certain information concerning the recent attack on Cuba by a refugee group, and asking that a letter be sent to you over my signature, posing some specific questions about it.

As you know, the Department of Justice is responsible for the enforcement of section 960 of title 18 of the United States Code, which provides: "Whoever, within the United States, knowingly begins or sets on foot or provides or prepares a means for or furnishes the money for, or takes part in, any military or naval expedition or enterprise to be carried on from thence against the territory or domination of any foreign prince, or state, or of any colony, district, or people with whom the United States is at peace, shall be fined not more than $3,000 or imprisoned not more than three years, or both."

I would like to know whether the Department has ascertained the facts of the raid on Cuba claimed to have been carried out by the groups called Alpha 66 and the Second National Front of Escambray, widely reported in the press on March 19 and 20.

1. From where was this expedition begun?
2. Who financed it?
3. From what country were its weapons obtained?
4. Why were its participants admitted to the United States after the raid?
5. If the leaders Vazquez and Veciana reside in Miami, as reported in the press, does Section 960 apply to them, irrespective of the takeoff point of the raid itself?
6. On what kind of visa are these men admitted to the United States?

I would also like to know what general steps the Immigration and Naturalization Service takes to enforce the statutes against this type of activity when it is carried on by Cuban refugees.

Sincerely yours,

WAYNE MORSE.

I have not yet received a reply; but I am pleased and gratified to read of the steps taken over the weekend to curb the adventurers among the exiles.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my speech the following articles and editorials:

First, an article entitled "Raid on Soviet Camp in Cuba Disturbs United States," written by Murrey Marder and published in the Washington Post under date of March 20. This article deals with the conference held by the Cuban refugees at the Roger Smith Hotel after they came back and announced to the country their course of action.

As I stated in Costa Rica, in a confidential conference with American officials, I thought they ought to be met by U.S. marshals, because in my judgment they stood in violation of their right to sanctuary; and I think we should put a stop to that kind of misuse of the right of sanctuary.

I also ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an editorial entitled "Dangerous Game," published in the Washington Evening Star of March 29, 1963; an article entitled "Controlling the Cuban Exiles," written by William S. White and published in the Washington Evening Star of March 29, 1963; an editorial entitled "Caught in the Vise," published in the Washington Post of March 30, 1963; an article enitled "Cuban Exiles Angered by U.S. Restrictions," written by Theodore Ediger, and published in the Washington Post of April 1, 1963; an editorial entitled "The Coup in Guatemala," published in the New York Times of April 1, 1963; and an article entitled "United States Curbs Miami Exiles To Prevent Raids on Cuba," published in the New York Times of April 1, 1963.

The PRESIDING OFFICER. Without objection, the articles and editorials may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. MORSE. Mr. President, with that material in the RECORD, I congratulate the Attorney General for the course of action he has taken over the weekend and the steps he has enunciated, aimed at bringing the Cuban exiles within the framework of their sanctuary rights, and notifying them of the intention of this Government to confine them to the framework of their sanctuary rights.

In addition to the condition put upon the parole of many of these persons under the authority residing in the Attorney General which I cited at the beginning of these remarks, several other statutes have application and it would seem they are being invoked.

One relates to the illegal exportation of war materials, and is found in section 401 of title 22.

It states:

Whenever an attempt is made to export or ship from or take out of the United States any arms or munitions of war or other articles in violation of law, or whenever it is known or there shall be probable cause to believe that any arms or munitions of war or other articles are intended to be or are being or have been exported or removed from the United States in violation of law, the Secretary of the Treasury, or any person duly authorized for the purpose by the President, may seize and detain any vessel, vehicle, or aircraft containing the same or which has been or is being used in exporting or attempting to export such arms or munitions of war or other articles.

It is my hope that the Customs Bureau will stringently enforce this section.

There has also been brought to my attention section 215 of the 1952 Immigration and Nationality Act, which provides for control of travel outside the country by aliens and citizens in time of war or national emergency. Under this section, it would be illegal to enter or leave the United States without a valid passport, unless under exceptions or exemptions set forth by the President. The penalty for violation of this section is a $5,000 fine or 5 years in jail, or both.

The national emergency proclaimed in 1950 during the Korean conflict remains in effect and brings section 215 into full force.

Still another international obligation we are bound to observe is the Convention on Duties and Rights of States in the Event of Civil Strife, signed at Havana in 1928 by the Inter-American Conference.

Article I reads:

The contracting states bind themselves to observe the following rules with regard to civil strife in another one of them:

1. To use all means at their disposal to prevent the inhabitants of their territory, nationals or aliens, from participating in, gathering elements, crossing the boundary or sailing from their territory for the purpose of starting or promoting civil strife.

2. To disarm and intern every rebel force crossing their boundaries, the expenses of internment to be borne by the state where public order may have been disturbed. The arms found in the hands of the rebels may be seized, and withdrawn by the government of the country granting asylum, to be returned, once the struggle has ended, to the state in civil strife.

3. To forbid the traffic in arms and war materiel, except when intended for the government, while the belligerency of the rebels has not been recognized, in which latter case the rules of neutrality shall be applied.

4. To prevent that within their jurisdiction there be equipped, armed, or adapted for warlike purposes any vessel intended to operate in favor of the rebellion. (46 Stat. 2749; entered into force for the United States May 21, 1930.)

Also involved in this matter is article 15 of the Charter of the Organization of American States, to which we are signatories, which states:

No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other states. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the state or against its political, economic, and cultural elements. (TIAS 2361; entered into force for the United States, Dec. 13, 1951.)

I would hope that the exile community itself would understand the importance to the United States of living up to these treaty obligations, and of maintaining in the hands of our President and his administration complete control of American policy regarding Cuba. We simply cannot allow a faction of the exile group to take that control out of our hands.

What I have said with respect to the raids also applies to the statements made by some Cuban refugees about the Bay of Pigs affair, and about current conditions in Cuba. I have become increasingly of the opinion that many of these individuals have found that any statement made by a Cuban on these subjects will be snapped up by the American press, whether it is said in ignorance or in full knowledge of the truth.

What the Cubans know as facts about conditions in Cuba should be reported to the proper U.S. authorities.

On the floor of the Senate a few weeks ago I indicated that one of these exile groups had gotten in touch with me and had offered to supply me with what were described as very important photographs, photographs which would show that certain things were going on in Cuba which could not be reconciled with announced policies of the Government of the United States.

I said, "Take them to the CIA and the Department of State. Do not be bringing them to a politician in the U.S. Senate. It is our job, under the advice-and-consent clause of the Constitution, to give our Government advice and consent in regard to foreign affairs in regard to the official policies of our Government."

It would be unfortunate, Mr. President, if we established a pattern whereby exiles in this country could think that they could submit to us information which they claimed was sound information and use that in an attempt to embarrass the official foreign policy of the United States.

I do not like to say it, but it is true—and I say it because, as chairman of the Subcommittee on Latin American Affairs, I know that we have been briefed sufficiently to know it to be true—that a considerable amount of the information which is offered by Cuban refugees is not reliable, is not true. Much of it is propaganda. Much of it is designed to bring about their desires.

The Cuban refugees owe it to the State Department and to the White House to submit any material they have through the channels which have jurisdiction and primary responsibility over American foreign policy and over our relationships with Cuba.

What they are only guessing at, or what they would like Americans to think is going on in Cuba, is better kept to themselves.

I realize that many American newspapers are as culpable in this respect as are the refugees from whence come many of these stories, which might better be labeled rumors.

In short, I want to remind the American public, the Cubans in this country, and the administration, that aside from the dictates of what constitutes appropriate behavior on the part of refugees enjoying asylum in the United States, the Federal Government is amply clothed with power to forestall actions by the exiles which conflict with American policy. I am very pleased that the agencies of the Federal Government are beginning to make use of the statutes giving them this authority. I surely hope they will continue to see to it that the Cuban exiles conduct themselves in conformity with U.S. law and U.S. foreign policy objectives.

One closing word about the United States-Cuba situation. I was one of the congressional delegates from the Senate, along with the Senator from Iowa [Mr. HICKENLOOPER], to the Punta del Este Conference in January of 1962. Many people are still not fully aware of the commitments the United States undertook in the pact of Punta del Este. We have kept faith with those commitments.

When we were at Costa Rica a few weeks ago, it was interesting to take note of the attitude of some of the Central American Presidents, after they had been briefed by the President of the United States on the commitments we are already carrying out in connection with the Punta del Este pact. Reading some of the quoted statements attributed to some of our friends in Central America, it seems that apparently they have been unaware of the fact that we have been maintaining a vigilant surveillance by water and by air in protection of the Western Hemisphere from any attempted threat on the part of the Castro regime to export from Cuba Russian arms sent through Cuba or attempted to be sent through Cuba into the Western Hemisphere. They apparently were unaware of the 24-hour vigilance and surveillance in international waters by various segments of the American naval forces. All are on the alert to protect the Western Hemisphere, including the United States, from any threat to the security of the free nations of this hemisphere.

Apparently they had not been fully informed of the air surveillance that we have been maintaining in defense of the security of the Western Hemisphere, including that of the United States. The Kennedy administration is thoroughly familiar with and greatly concerned about the threat of communism in the Western Hemisphere via Cuba and Russia.

Mr. President, it is important that we stay within the framework of international law, so that we can maintain our allies and can prove to the world, as we proved it to the world last October, that

we move only when our opponent violates our right of security.

I say again, as I have said so many times before, that the American people have every reason to have complete confidence in the handling of the Cuban crisis by the President of the United States. The President is deserving of the wholehearted support of patriotic Americans in his insistence that we follow a course of action such as has been announced over the weekend in connection with conducting American foreign policy by ourselves and for ourselves. We should not permit a group of exiles who have been given sanctuary in this country to engage in provocative acts which could very well lead to a serious crisis in the Caribbean, a crisis which might endanger the peace of the world.

Oh, I know it has been said that this position is some form of appeasement of Castro. Nonsense. Let us take a look at what is happening inside Cuba. We must present to the American people the facts concerning the policy of containment which we have been following with respect to Cuba. According to the best information our intelligence provides, the economic productive capacity of Cuba is down some 66 percent. Cuba is in a bad way internally. In my judgment, we ought to continue to follow the course of no economic intercourse with Cuba, and call upon our friendly allies among the free nations to understand that they have some moral duty in the cause of freedom to see to it that they do not strengthen the economic sinews of Cuba.

I believe that if we maintain the kind of vigilance that the President is maintaining, it will not be too far in the future when the people of Cuba recognize that there is no hope under communism and under the false leadership that Castro is giving them.

Of one thing the senior Senator from Oregon is certain: We cannot justify, from the standpoint of the foreign policy interest of the American people, permitting a group of exiles in this country to superimpose themselves as intervenors in the direction of American foreign policy.

I close by congratulating the Attorney General for the course of action he has taken over the weekend in calling to the attention of the exiles and the American people our position with respect to our determination to carry out our international law obligations.

EXHIBIT 1

[From the Washington (D.C.) Post, Mar. 20, 1963]

CASUALTIES PUT AT DOZEN: RAID ON SOVIET CAMP IN CUBA DISTURBS UNITED STATES

(By Murrey Marder)

Cuban exile leaders claimed here yesterday that anti-Castro commando units inflicted more than a dozen Russian casualties in a dawn attack Monday on a Soviet military camp and a Soviet ship at a Cuban port.

The raid, which could turn into a major international incident, was openly discussed at a news conference at the Roger Smith Hotel. The raid was carried out in the name of two Cuban exile revolutionary groups that have announced similar hit-and-run attacks in the past—Alpha 66 and the Second National Front of Escambray.

Just before the news conference, the United States denounced these irresponsible and ineffective forays.

They "serve to increase the difficulty of dealing with the unsatisfactory situation which now exists in the Caribbean," said the State Department.

"The U.S. Government is strongly opposed to hit-and-run attacks on Cuba by splinter refugee groups," said the statement. "It has stated repeatedly that such raids do not weaken the grip of the Castro regime in Cuba. Indeed they may strengthen it.

"Nothing we have heard of the latest incident changes our judgment on this matter. * * * The U.S. Government is investigating fully to determine whether any violation of U.S. law is involved."

As in the past, the Cuban exiles' spokesmen stressed that none of the attacks were mounted from U.S. territory. U.S. officials yesterday said neither Central Intelligence Agency nor any other arm of the American Government was involved with Monday's raid.

In the Cuban crisis that brought the United States and the Soviet Union to the edge of war last October, Soviet Premier Nikita S. Khrushchev wrote President Kennedy that piratic attacks on Cuba justified the Soviet decision to supply Cuba the defense means missiles which you describe as offensive.

RED REACTION MODERATE

Up to last night, the Soviet reaction to the new raid was relatively moderate.

Moscow radio charged that anti-Castro revolutionaries staged a "new provocation" in an attack on the Cuban coast. But Moscow radio made no mention of Russian casualties or attacks on a Soviet vessel or personnel.

The Fidel Castro government, after a daylong silence, last night also admitted the raid, United Press International reported.

But the Cuban regime did not confirm that any Russians had been killed or wounded as claimed by the raiders.

A communique from the Armed Forces Ministry, broadcast by Havana radio and heard in Miami, blamed the United States directly for the attack.

Spokesmen at yesterday's news conference were Antonio Veciana, 33, described as "coordinator" of Alpha 66 and Cecilio J. Vazquez, representing the Second National Front of Escambray.

They distributed a mimeographed paper entitled "War Communique 4," issued "in the Caribbean area" by a Maj. Eloy Gatiarres Menoyo.

It said that at dawn on Monday, commando units in two boats "attacked a Russian encampment located at Isabela de Sagua's port, on the north central coast of Cuba," which the group previously raided on October 8, when they said they captured a Russian and Cuban flag and Czech weapons.

DREW RETURN FIRE

In Monday's raid the exile groups said the attackers drew return fire "from the coast guards, the custom house and trenches of the Russian encampment." A Russian merchant ship anchored in the bay opened fire, and return machinegun and cannon fire from Alpha 66 hit the Soviet ship's smokestack and bridge. "As a result the Russian ship was seriously damaged" it was claimed and "the estimates of casualties of Russians (on ship and ashore) was more than a dozen." Two commandos were reported lightly wounded.

This demonstrated, the exiles claimed, "that the Cubans have the ability, the courage and the strength to overthrow the Communist government of Havana if given the necessary support of the free nations of the Western Hemisphere; especially the people of the United States and the Cubans themselves."

Veciana and Vazquez, who said they live in Miami, spoke through an interpreter and said in answer to questions, that:

The raiding operation lasted 45 minutes, and some of the men went ashore.

They believe the raids have "a physical and economic impact upon the Castro regime * * * leading to discontent and internal action in Cuba against the present regime."

FURTHER RAIDS PLANNED

Neither United States nor British territory is used in the raiders' secret base of operations; further raids are contemplated.

No attempt was made by the United States to block their news conference yesterday, or to hamper their activities. Asked if they believe their raids conform with U.S. policy they replied they "are not sure of the present policy in reference to these things."

The men said they and their organizations are registered with the Justice Department under the Foreign Agents Registration Act. A Justice spokesman said last night that officials of the two groups "talked with us," but at present no active registration statements are on file.

[From the Washington (D.C.) Evening Star, Mar. 29, 1963]

DANGEROUS GAME

The hit-and-run attacks by Cuban exiles and the counterharassment of American shipping by planes based in Cuba add up to a dangerous kind of game in which someone, sooner or later, is going to get hurt.

The Cuban exiles who attacked a Russian freighter off the coast of Cuba Tuesday night doubtless were inspired by what they considered to be patriotic motives. But actually they were behaving like juveniles, irresponsible and ineffectively.

The same thing goes for the pilots of the Mig planes, which, unquestionably are based in Cuba. Last February two of these planes fired in the general direction of an American shrimp boat. Yesterday two other planes, presumably Mig's, fired machinegun bursts near the U.S. MS *Floridian* in international waters. Since the *Floridian* is 360 feet long, it is obvious that the aircraft, one of which flew in quite low, were not trying to hit the vessel. Nevertheless, this sort of thing is a serious business, and it can lead to serious consequences—as Castro will find out if it continues.

Our own Government has condemned the hit-and-run raids by the Cuban exiles, and, as far as we know, it is not responsible for them. We suspect, however, that our officials could find the means to put a stop to these attacks. And we think they should do so.

[From the Washington (D.C.) Evening Star, Mar. 29, 1963]

CONTROLLING THE CUBAN EXILES—RAIDS ARE BELIEVED LIKELY TO ENTRENCH CASTRO AND DEFEAT THEIR PURPOSE

(By William S. White)

Though it is a harsh thing to have to say, the fact is that a means must be found for bringing into control the anti-Castro Cuban exiles in this country.

This is one of those painfully paradoxical occasions in the cold war when honorable and patriotic but foolish efforts to strike at the common foe of international communism are far more dangerous to the common cause than no action at all.

Pinprick exile Cuban raids upon Soviet shipping in Cuban waters, and upon the shore positions of Castro himself, have got to stop, for all these reasons:

1. They are wholly ineffectual and serve only to help entrench rather than to weaken Fidel Castro. They permit him to present himself to the Cuban people as their protector from foreign attack, and beyond doubt will retard rather than advance that

hoped-for day when the Cuban people will have had enough of him.

2. They are both fatally weak and fatally irresponsible. There will be no gettting rid of Castro, in a heavily armed island fortress, by small and gallant but also pointless sorties against a ship here or there, a coastal position there and yonder. When and if military forces go after Mr. Castro from offshore, they ought to go in overwhelming force, or not at all.

Surely, we have learned this terrible lesson from the abortive invasion by Cuban exiles in the spring of 1961. All this accomplished was the unnecessary expenditure of good lives and an unnecessary loss in American prestige. If and when the big blow is to be put in against Mr. Castro it must be put in at the decision of the United States and not of its exile guests, welcome among us though they are.

3. They embarrass the conduct of the foreign policy of the United States by its only rightful conductor, the U.S. Government, itself. No matter how galling the present situation—and galling it is, indeed—no set of foreigners granted sanctuary by the United States has the right to involve this country indirectly in military adventures which this country has not sanctioned and—worse yet—which in any case will do nobody but the Communist enemy any good.

4. They—these unauthorized attacks—may give the Russians some excuse to refuse to withdraw the balance of their troops in Cuba. Though it is true they have no business whatever being there in the first place, it *is also* true that American policy does not now contemplate any forcible effort to remove them. This being the bedrock reality, there is no sense in needlessly muddying the diplomatic waters in this affair, having in mind that we are not in any event ready at this point to go beyond diplomatic into military action.

Apart from all this, there lies upon the U.S. Government a heavy responsibility not to allow cruelly false hopes of early deliverance to rise among the Cuban people. To our lasting national shame, we encouraged just such cruelly false hopes among the Hungarians nearly a decade ago. And the end of it all was to bloody the streets of Budapest with the broken bodies of Hungarian patriots who died waiting for the deliverance that never came.

There is an old expression from back in frontier days that only a fool draws a gun unless he really means to use it. We cannot escape it that the world—and not merely the Soviet Union—can be led to believe that through others we are drawing a popgun we don't mean to use. If there is one thing worse than no action by a great power it is the puerile action of sending, or appearing to send, a boy to do a man's job.

The State Department's repeated admonitions against these hit-and-run sorties, therefore, deserve everybody's support—and the support of Cuban hardliners most of all. To this columnist's knowledge, the most authentic hardliners in both Congress and administration well know this. It is the time for them to speak up, unpopular though the message may be.

[From the Washington (D.C.) Post, Mar. 30, 1963]

CAUGHT IN THE VISE

The hit-and-run raids on Fidel Castro's Cuba stir the blood but also chill the mind. The latest foray by Cuban exiles again puts the United States in an intolerable dilemma. What is President Kennedy to do? If he retaliates fiercely against Cuban exiles, he puts the United States in the hapless position of being the guarantor of Mr. Castro's regime. The Cuban Prime Minister presides over a despotic totalitarian government—and why should we protect Mr. Castro from the wrath of his fellow citizens who want to terrorize a foreign force occupying the island?

And yet it must be understood that these free-booting raids could place the United States on the first step of an escalator leading to a massive confrontation. Suppose, in retaliation, the Cuban regime begins shooting at our reconnaissance planes that regularly scrutinize the island. The United States would have no alternative but to fire back—and at this point the escalator could begin moving up.

The Cuban Government has denied that the planes which fired across the bow of the American ship *Floridian* did so on orders, but this kind of reprisal might occur in any ascending scale of military measures and countermeasures. Even an unintended move in violation of orders might set forces in motion that would be beyond recall by the time corrections and apologies were made.

What makes the problem more grievous is that the pained denials of the State Department do little good at all. The Soviet Union, if it wishes, can insist that the CIA is covertly supporting the raids; to prove that this is not the case is about as difficult as it would be for Mr. Kennedy to prove that Soviet troops have completely evacuated from Cuba. Even in times past, diplomatic denials about encouraging revolutions elsewhere have occasioned skeptical hoots. Today, the word "volunteer" itself is usually bracketed by quotation marks in reporting what the other fellow claims.

But the problem of the raiders remains. It is disquieting to recall—as Edmund Taylor reminds us again in his "Fall of the Dynasties"—that the ghastly tragedy of World War I was set in motion by a high-minded terrorist in the Balkans. It is against this nightmare that the United States must balance the demands of prudence and the claims of conscience.

Surely the Government has no reasonable alternative but to disavow the raids and to investigate the incidents in order to determine if any U.S. laws were violated. Whatever the Cubans do in retaliation, let us keep our heads and sense of proportion. The primary appeal should be to the Soviet Union and not to the Cubans—and the appeal must be for a removal of Russian forces.

These forces are a provocative presence. They do not protect Mr. Castro as much as they expose the Soviet Union to the risk of having Russian prestige involved in a national struggle between Cubans. Every incident that occurs throws into more vivid relief the terrible hazards involved in trying to sustain a Soviet military outpost on an island so vulnerable to uncontrollable hit-and-run raids. It is this circumstance that provides the kindling for a conflagration.

[From the Washington (D.C.) Post, Apr. 1, 1963]

CUBAN EXILES ANGERED BY U.S. RESTRICTIONS

(By Theodore Ediger)

MIAMI, March 31.—Exiles reacted angrily today to U.S. Government restrictions designed to halt commando raids on Fidel Castro's Cuba.

Some exile leaders were especially critical of orders prohibiting 18 exiles from leaving the Miami area. The orders were issued yesterday to persons considered prospective raiders.

The 18 received notices from U.S. Immigration agents not to leave Dade County, a 2,500-square-mile area including Miami and environs, or the continental United States.

Edwin Guthman, public information officer for the Justice Department, said the notices were issued following a meeting in Miami of representatives of the Coast Guard, the State Department, the Customs Bureau, the FBI and the Immigration Service.

Guthman did not identify the Cubans but said some of the 18 were admitted to the United States as permanent residents. Others of the group, he said, are on parole status as refugees.

He said if they violate the restriction, they will be detained by the Immigration Service, a branch of the Justice Department.

Immigration authorities indicated more orders might be issued.

Exile organizations went into emergency session to discuss plans.

Commandos L., whose attack on a Russian vessel off Cuba's north shore last week appeared to have brought the issue to a head, declined comment pending study of the situation.

A spokesman for the Second National Front of Escambray, and Alpha 66, merged organizations which raided a Russian encampment in Cuba 2 weeks ago, declared, "We are continuing the fight."

A member noted that their chief, Eloy Gutierrez Menoyo, was safe from U.S. directives at the moment. He is directing operations from a Carribean base.

"We violate no U.S. laws," the member said. "We never operate from American soil."

Antonio Veciana, coordinator, and Armando Fleites, secretary general of the combined groups, were among those handed restriction orders.

Jose Antonio Lanusa, spokesman for another group, the Revolutionary Student Directorate, said:

"If these restrictive orders are going to completely snuff out any outside action against Castro, internal rebellion will become almost impossible in Cuba."

DEPEND ON RAIDS

Lanusa said his group had learned from underground contacts in Cuba that they depend greatly on raids as an impetus for uprising.

"The restrictions will undoubtedly cause many heartaches in Cuba," he added.

Pedro Luis Diaz Lanz, Castro's former air force chief, who created headlines with leaflet raids over Cuba in 1960, said he and several associates had received restriction notices.

He declared such action means the Kennedy administration has decided on a policy of coexistence with Castro.

Immigration authorities said the notices went only to persons who have participated or plan to participate in raids.

The Cuban Revolutionary Council, headed by Jose Miro Cardona, and formed in 1961 to mount the unsuccessful Bay of Pigs invasion, was not included.

An exile leader who did not want his name mentioned, said of the U.S. action:

"This is the last straw. No invasion, no government in exile, no jobs, and now no more attacks on Castro. It looks as if Castro has won."

Two notices were served by Immigration agents. One by the Department of Justice expressed sympathy for the exiles' cause, but added, "this does not mean that we are prepared to see our own laws violated with impunity, or to tolerate activities which might provoke armed reprisals."

The other said the exiles' parole into the United States would be violated if they left Dade County. Also, that their departure from the United States could mean $5,000 fines or 5 years' imprisonment or both.

BRITAIN TO COOPERATE

Meanwhile, it was learned that the British Government has agreed "to do anything possible to prevent the use of British territory for illicit purposes," United Press International reported.

The statement referred to a U.S. request for the British to increase surveil-

lance of isolated keys in the Bahama Islands north of Cuba, which raiders are suspected of using as bases for launching raids.

U.S. officials confirmed that the British Government had agreed to increase its vigilance in the Caribbean. There was no elaboration, but informed sources in London said the British frigate *Londonderry* had been ordered from Bermuda to patrol the region.

For its part, the United States was reported to be strengthening its Coast Guard sea and air patrols to guard against forays launched from Florida or U.S. Territories in the Caribbean.

United Press International also reported that the FBI is investigating Cuban refugee groups in the Miami area to determine who is backing their efforts. In addition, immigration authorities were intensifying checks of Cuban refugee movements.

[From the New York Times, Apr. 1, 1963]

THE COUP IN GUATEMALA

The military coup in Guatemala spells danger for all of Central America and will send shock waves deep into South America. Every indication points to this as an example of the sort of reaction by the extreme right that all authorities on Latin America have been fearing. It is an attempt to answer the leftism symbolized by Fidelismo but is a swing to the other extreme. The irony and the danger are that such a reaction will play straight into the hands of the Fidelistas and of Latin-American communism.

The Guatemalan military clique had indicated in recent weeks that it would act if ex-President Juan José Arévalo was allowed back into the country to campaign for the presidency. Dr. Arévalo returned Friday night. The armed forces seized the opportunity "to defend Guatemala from the threat of communism," as they put it.

An idea of how far to the right the new chief executive, Colonel Peralta, and his group are can be gleaned from the fact that they accuse President Ydígoras of "complacency in dealing with communism." It was President Ydígoras who arranged for the training of the Cuban exiles for the Bay of Pigs invasion and whose presidential career has virtually been based on his anti-Fidelismo.

President Kennedy certainly would not want to condone, let alone support, a straightforward, old-fashioned, military dictatorial extreme rightwing coup in Guatemala. Whether he does or not, the coup was a blow to democracy in Latin America.

[From the New York Times, Apr. 1, 1963]

UNITED STATES CURBS MIAMI EXILES TO PREVENT RAIDS ON CUBA

WASHINGTON, March 31.—The Government moved today to enforce its policy of preventing Cuban refugees from using U.S. territory to organize or launch raids against Cuba. The Justice Department placed restrictions on 18 Cubans in the Miami area.

In some cases they were ordered not to leave Dade County, in which Miami is situated, and in others not to leave the United States.

The Department did not disclose the names of those restricted. Dispatches from Miami confirmed that some members of two exile groups already involved in raids had been given the restriction orders. These were the Alpha 66 and the Second Front of Escambray groups.

VIOLATORS FACE ARREST

Violation of the orders, issued through the Immigration and Naturalization Service, could be enforced by arrest or deportation.

In its announcement yesterday that it planned to take "every step necessary" to prevent raids, the Government expressed sympathy for the anti-Castro cause. But it said it could tolerate no activities that might provoke reprisals against American forces.

Yesterday's announcement was made by the State and Justice Departments. It did not specify what the measures would be to guard against new hit-and-run attacks on Cuba. Today's action by the Justice Department revealed one step.

RAIDS TRACED TO BAHAMAS

In addition, officials said, they expect the Federal Bureau of Investigation and the Coast Guard to increase their surveillance of Cuban refugee circles, of the Florida coastline and the waters between the United States and Cuba.

It was understood that some of the small boats used by raiding groups had been tracked and might be seized in the next few days. The Coast Guard can challenge the seaworthiness of any vessel and presumably will check on suspicious craft by invoking this right.

Information available now about the two attacks on Soviet ships in Cuban ports in the last 2 weeks suggests that the raids were not launched from American soil, the Government said yesterday.

But its statement promised further investigation. The statement avoided the question of whether the expeditions were supplied with men or materials from the United States.

Some of the recent raids, it has been established, were launched from some of the smaller islands of the British Bahamas group. However, the participants did not live there and their expeditions almost certainly originated elsewhere.

American surveillance efforts will be coordinated with the British Government.

The administration's dilemma was reflected in the careful wording of yesterday's statement. Washington fears that, should the exile attacks continue, the Soviet Union and Cuba would be provoked to retaliate, either against American shipping in the Caribbean or against the American reconnaissance planes that now fly over Cuba daily with impunity.

But because it has encouraged Cubans to work for the overthrow of Premier Fidel Castro, the administration has hesitated to harass or take sanctions against the anti-Castro fighters.

However, the refugee raiders have been exceptionally resourceful in carrying through attacks that have damaged Soviet merchant ships in Cuban ports.

Because of this President Kennedy and his advisers have therefore decided to do everything possible to discourage and prevent continuation of the refugees' raids.

The United States will not, however, take responsibility for events in Cuba or her territorial waters.

THE POLICY ANNOUNCEMENT

The following is the text of yesterday's statements by the State and Justice Departments:

"The position of the U.S. Government regarding hit-and-run attacks by Cuban refugee groups against Soviet ships and other targets in Cuba have been made perfectly clear by the President and Secretary of State. These attacks are neither supported nor condoned by this Government. The President has pointed out that they may nave effects opposite to those presumably intended by those who carry them out; that is, they may strengthen the Soviet position in Cuba rather than weaken it, tighten Communist controls rather than loosen them.

"For preliminary evidence suggests that these raids have not in fact been launched from the territory of the United States. However, the FBI and the Immigration and Naturalization Service, with the cooperation of the Coast Guard and Customs Service, are intensifying their investigations.

"We intend to take every step necessary to insure that such raids are not launched, manned or equipped on U.S. territory.

"The sympathy of this Government and the American people is with those Cubans who hope to see their country freed from Communist control. We understand that these raids reflect the deep frustration of men who want to get back to their homeland, to a Cuba that is independent.

"But this understanding does not mean that we are prepared to see our own laws violated with impunity or to tolerate activities which might provoke armed reprisals, the brunt of which would be borne by the Armed Forces of the United States."

RESOLUTION OF OREGON SENATE AND HOUSE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD Senate Joint Memorial 7 of the Oregon Legislature, pertaining to Rogue River Basin project, and House Joint Memorial 13, of the Oregon Legislature, relating to the livestock slaughtering and processing industry, together with covering letters of the Oregon secretary of state.

There being no objection, the letters and memorials were ordered to be printed in the RECORD, as follows:

SALEM, OREG.,
March 25, 1963.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: As directed by the 52d Legislative Assembly of Oregon, I transmit herewith a certified copy of Senate Joint Memorial 7, pertaining to the Rogue River Basin project, a memorial enacted by our legislative assembly now in session.

Respectfully,

HOWELL APPLING, Jr.,
Secretary of State.

ENROLLED SENATE JOINT MEMORIAL 7

Resolution introduced by Senators Chapman, Newbry, Potts; Representatives Back, Bazett, Branchfield, Dellenback, and Redden

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 52d Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Rogue Basin project has been authorized by the Congress of the United States; and

Whereas the Rogue Basin project is a comprehensive river basin development plan providing for the maximum feasible benefits from flood control, fishery improvement, irrigation, recreation, municipal water supply and power production; and

Whereas the present low water flow and present high water temperatures threaten the continued existence of valuable anadromous fisheries; and

Whereas repeated winter floods destroy valuable property and prevent development; and

Whereas the Rogue Basin is highly populated and a growing area primarily dependent on the timber industry; and

Whereas the timber production of the area is stable and its employment decreasing because of increasing efficiency; and

Whereas the need for a more broadly based economy and increased employment opportunity is urgent; and

Whereas the construction and operation of the Rogue Basin project would restore the fisheries, broaden the economy, increase

employment in the State of Oregon and provide flood control; Now, therefore, be it

Resolved by the Legislative Assembly of the State of Oregon, That:

1. The Congress of the United States is urged to provide for a supplemental appropriation for the Rogue Basin project in the amount of $50,000 to be used by the Corps of Army Engineers for final planning in the fiscal year of 1963.

2. The Congress of the United States is urged to provide an appropriation of $365,000 for the Corps of Engineers to be used for final planning, site acquisition, and construction of the Rogue Basin project for the fiscal year of 1964.

3. The secretary of state shall send a copy of this memorial to the President and Vice President of the United States, and to each member of the Oregon congressional delegation.

Adopted by senate March 12, 1963.

DALE HENDERSON,
Secretary of Senate.

BEN MUSA,
President of Senate.

Adopted by house March 15, 1963.

CLARENCE BARTON,
Speaker of House.

SALEM, OREG.,
March 27, 1963.

Hon. WAYNE MORSE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORSE: As directed by the 52d Legislative Assembly of Oregon, I transmit herewith a certified copy of House Joint Memorial 13, a memorial enacted by our legislative assembly now in session.

Respectfully,

HOWELL APPLING, Jr.,
Secretary of State.

ENROLLED HOUSE JOINT MEMORIAL 13

Resolution introduced by Representatives McKinnis, Flitcraft, Hansell, and Senators Hopkins, Leth

To the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled:

We, your memorialists, the 52d Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the livestock slaughtering and processing industry is essential to the economy of the State of Oregon and the Western United States; and

Whereas a historic and economically vital formula on the cost of transportation of fresh meats as compared to livestock, westbound from the Midwest, has been destroyed by the imposition of freight rates discriminatory to livestock processing plants in Oregon; and

Whereas under this historic formula the rates for transportation of fresh meats were approximately one and one-half times higher than the rates for transportation of livestock westbound from the Midwest; and

Whereas due to the imposition of discriminatory freight rates the fresh meat freight rate has been undercut, to a present formula of 1 to 1, which makes it prohibitive for Oregon packers to ship livestock from the fat livestock markets of the Midwest to Oregon for local slaughter; and

Whereas the livestock slaughtering and processing industry of Oregon has already declined as a direct result of prior rate reductions forcing severe unemployment and loss of markets for livestock producers and feeders; and

Whereas the public utility commissioner of the State of Oregon, the director of the Department of Agriculture of the State of Oregon, the leaders in the meat-producing industry, the leaders of management in the processing industry and leaders of labor in the meat-handling industry, and allied fields, have gone on record to seek adjustment in these detrimental freight rates, without success: Now, therefore, be it

Resolved by the Legislative Assembly of the State of Oregon, That:

1. The Legislative Assembly of the State of Oregon respectfully memorializes the Congress of the United States and the Honorable Secretary of Commerce to take those steps as may be necessary to restore the historic freight rate formula that has existed between westbound livestock and meat and thereby prevent further economic hardship to the broad based livestock industry of Oregon which is threatened by undercutting freight rate practices now permitted by the Interstate Commerce Commission.

2. The secretary of State shall send a copy of this memorial to the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, the Secretary of the U.S. Department of Commerce and to each member of the Oregon congressional delegation.

Adopted by house February 14, 1963.

CECIL L. EDWARDS,
Chief Clerk of House.

CLARENCE BARTON,
Speaker of House.

Adopted by senate March 14, 1963.

BEN MUSA,
President of Senate.

LET US ACT TO STOP OUR MOUNTING UNEMPLOYMENT: LET US ACT TO SOLVE OUR NO. 1 PROBLEM

Mr. GRUENING. Mr. President, unemployment is our No. 1 economic and social problem. This is not only my own view but the view of one who is far more important in any effort to do something about it. These are the words of none other than our President, John F. Kennedy.

Frankly, I would say that it is America's No. 1 problem, No. 2 problem, and No. 3 problem. In my view it overshadows all others. Unemployment has just reached a new high—in other words, we are not gaining, we are not conquering unemployment but are dropping behind. Action—effective action, prompt action—is imperative.

Let us bear in mind constantly that the 6.1 percent current unemployment is not just a statistic. It means personal disaster, fear, sorrow, want, often broken homes, and all the other tragic consequences of joblessness in millions of families. And this in America. America the affluent. America the prosperous.

In other words, tackling unemployment should take precedence, priority, and action before anything and everything else at home.

The United States is the wealthiest nation on earth. We are constantly reminded of it. As a result of it, we are requested annually to appropriate billions of dollars for foreign aid, and when there are those who differ with some of the ways this foreign aid has been administered, we are suspected of the heinous offense of being anti-foreign aid.

A reasonable and constructive critique of the administration of our foreign aid by a very distinguished committee of outstanding Americans, all committed to foreign aid, headed by Lucius Clay, comes under violent attack by a local newspaper and by others who feel that almost any amount spent abroad, no matter how spent and for whom, is justifiable, but who apparently do not have, or at least do not exhibit, a corresponding concern for the tragic plight of over 5 million of our own unemployed fellow American citizens and their families. While our foreign aid program is seeking to relieve the plight of the unemployed, the undernourished and the otherwise disadvantaged and others in 95 foreign countries, what about our own American unemployed? Moreover, unless we diminish our unemployment at home, unless we shore up our domestic economy, unless we get it moving, we will be unable to keep up with our commitments abroad. Our strength is not merely military. It rests in no less degree, indeed in even greater degree in the health and vitality of our economy.

Let me quote at this point exactly what the President said in his March 11 manpower report to the Congress:

> Unemployment is our No. 1 economic problem. It wastes the lives of men and women, depriving both them and the Nation. Our continued underuse of human and physical capacity is costing us some $30 to $40 billion of additional goods and services annually. This means a considerably lower standard of living than we would otherwise enjoy. More seriously—ominously—it means we are doing less than our best in staffing ourselves in the struggle for freedom at home and abroad that now commands our energies and resources on an unprecedented scale, and in ever more demanding forms.

Believing that something should be and must be done about it, and speedily, I introduced, on March 19, a bill to increase the amount available for an accelerated public works program from $900 million to $2.6 billion, with a number of distinguished cosponsors who included: Senators BARTLETT, KEFAUVER, METCALF, MORSE, CANNON, NEUBERGER, RANDOLPH, and YARBOROUGH.

There are some among us who may think that this is not a necessary expenditure. I feel it is absolutely essential. The facts are that we have an accumulated backlog of ready public works—desirable projects—and others which could be brought into realization, which would more than absorb the $2½ billion which my proposal envisages—public works programs suited to the needs of every community, but not merely employ people in the project's locale. The impetus to employment from such projects reaches back through our entire economic structure, into the factories, into the fields, forests, and mines where the raw materials are produced. The further accelerated public works provision galvanizes, stimulates, and revitalize our now regrettably sluggish economy.

I shall ask for an early hearing on this legislation and trust it will have overwhelming support in both Houses. We cannot continue to act as the leader of the world politically, economically, and socially if we fail, as we are failing, in meeting this number one problem at home—the disaster and tragedy of unemployment—a problem which if it continues unsolved will impair our efforts at world leadership.

In this connection, an excellent leading editorial entitled: "America the Backward?" appears in the March 30 issue of the New Republic. It deals largely with this issue—our continued and increasing unemployment. I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMERICA THE BACKWARD?

Unemployment is our No. 1 economic problem. It wastes the lives of men and women, depriving both them and the Nation. Our continued underuse of human and physical capacity is costing us some $30 to $40 billion of additional goods and services annually. This means a considerably lower standard of living than we would otherwise enjoy. More seriously—ominously—it means we are doing less than our best in staffing ourselves in the struggle for freedom at home and abroad that now commands our energies and resources on an unprecedented scale, and in ever more demanding forms." Thus spoke the President in his March 11 manpower report to Congress.

What are the facts? In 1962 ten million more people were employed than in 1947, a gain of 17 percent over 15 years, but during the same period the labor force grew by 13 million, or 21 percent. Since 1957 the jobless rate has averaged 5½ percent (6.1 percent as of the latest count), compared to 4 percent in immediately previous years. It was 5½ percent in 1962, a year of "recovery," which suggests that the next downturn will shoot the jobless rate to new heights. Those out of work stay out longer and longer. Between 1957 and 1962, unemployment for 15 weeks or more went up 100 percent; unemployment for 6 months or more 150 percent; and these figures do not take into account workers who are on the job (not by choice) less than a normal workweek. Nor do total unemployment figures show the special penalties imposed on particular groups—younger and older people, non-white workers, workers in declining or unstable industries or in depressed areas, and unskilled workers generally. For example, the jobless rate for nonfarm, unskilled laborers is 12 percent; for the semiskilled, it is 8 per cent. And in their impersonal neutrality, such figures conceal the human reality: millions of individuals deprived of a productive role, many of whom are responsible for feeding, clothing, educating, and entertaining children, and keeping them well.

The whole economy limps along at a tired pace. Average annual growth of gross national product over the last 5 years has been about 2.9 percent, as against the 3½ to 4 percent of former years.

There will always be some unemployed: people change jobs; one season is better than another in certain lines of work. Full employment, therefore, amounts to having an equal number of people looking for jobs and of jobs looking for people. The administration has not specified how much unemployment would be acceptable in this sense, but the Economic Report of the President suggests that if an interim goal of 4 percent were to be reached by the end of 1963, 3.1 million new jobs would be needed, plus additional ones to absorb workers being displaced by technical progress. This means an 8- to 9-percent boost in gross national product, at constant prices. Furthermore, just keeping the unemployment rate where it is would require a 3½ percent rise in Gross national product. If the present average rate of growth is maintained, unemployment will rise further by the end of 1963, and in the next 5 years it will exceed 7 percent. Apparently the United States is moving from a situation justifying concern to one warranting alarm.

Some steps have been taken to reduce structural unemployment. The Area Redevelopment Act of 1961 is designed to rejuvenate economically depressed areas and has provisions for worker retraining; the Manpower Development and Training Act of 1962 has broader provisions for retraining and relocation assistance; and there are similar provisions in the Trade Expansion Act of 1962, though these will not have any effect until 1964 or thereafter. The number in retraining programs thus far is unimpressive (in the two active programs some 37,000 workers), but the programs may pick up speed.

Serious questions have to be asked, however. What skills can workers be retrained for which will be in demand? Industrial jobs in the future will differ from those of the past. The need of manufacturers for unskilled workers is rapidly diminishing; technicians, engineers, teachers, public administrators, and specialists in new skilled tasks like computer programing are what will be sought. Retraining can only make a marginal contribution here.

The President has made other suggestions. He would extend unemployment compensation, improve methods for identifying impending job dislocations and job opportunities nationally, establish a Youth Corps reminiscent of the old CCC. He has also asked for a civilian industrial technology program which would give a kind of point 4 technical assistance to lagging business, but his requested appropriation of $8.7 million is small. To facilitate labor mobility, Mr. Kennedy wants to eliminate from taxation the reimbursements paid new employees for their moving expenses by business. But this helps those who need it least. It is the unskilled and semiskilled, whose moving expenses are not reimbursed by employers, who need tax deductions for their moving costs.

Hemmed in—so he has calculated—by a variety of hostile political forces and not wanting to be thought a prophet of gloom and doom, Mr. Kennedy chose to phase a tax cut over 36 months, and to avoid really extensive discussion of other needed remedies for the sickness of the economy. As a consequence, we may well find the situation worsening in the next 18 months. In 1962, the New Republic dissented from the prevailing opinion that a tax cut was then premature. We dissent now from the administration view that a cut phased over 3 years will do the trick. It must come sooner, be large enough—at least $10 billion—and have most of its effect by the end of next year, or better, in the 12 months beginning this July. Anything less will discredit—because it will not produce predicted results—the very theory of compensatory economics the President wishes to prove.

Can nothing be done in the next month or so to enact the kind of tax revision that will make a substantial difference? A new initiative could come from Congress at even this late juncture. The Joint Economic Committee's stand in favor of a much bigger cut in 1963 is one hopeful development. The Congress could rescue the President from his fears of the Congress by stepping up tax reduction, as well as by approving other parts of the administration's recovery program.

However, even if Congress performs heroically in this session, we cannot assume a healthy economy through the next decade. Technological development has brought with it a steadily declining requirement for new capital expenditures. To put it in another way, we are getting more output for a relatively smaller amount of money spent on plant and equipment. Add to this the fact that there is today a large amount of underused plant capacity, so that production can increase considerably without much new capital outlay.

Moreover, expansion supported primarily by more investment in the kinds of industries which have been so prominent in the past will be less than vigorous. New sources of demand for consumer goods and new sources of demand for substantial investment will have to be found. Serious consideration must be given, therefore, to encouraging industries which could lead growth in the way that railroads, steel and automobiles did in an earlier time. The best contender for a big push at this time is the construction industry. The Nation needs a face lifting, particularly in its more blighted areas, and transportation needs modernizing. Such reconstruction would, moreover, absorb the very unskilled and uneducated workers now seeking jobs.

Some are of the opinion that the American economy is so well developed that we cannot expect it to attain the high growth rate it once had. That is the gospel of American affluence. But if it is true (and it is not; the United States is underdeveloped—socially, esthetically, intellectually, as well as materially), then a choice has to be faced. Either we find new outlets for the widening pool of unemployed, or we accept permanent responsibility for the support of the unskilled and uneducated, and pay the high social cost of their alienation from a community that says, "We don't need you."

Mr. GRUENING. Mr. President, I ask further consent that the statement I made in the RECORD when I introduced this legislation, which I entitled: "Let Us Try To Do as Much for the Folks at Home as for Those Abroad—Let Us Get the U.S. Economy Moving—Let Us Tackle Our Mounting Unemployment Realistically," be printed at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LET US TRY TO DO AS MUCH FOR THE FOLKS AT HOME AS FOR THOSE ABROAD; LET US GET THE U.S. ECONOMY MOVING; LET US TACKLE OUR MOUNTING UNEMPLOYMENT REALISTICALLY

Mr. GRUENING. Mr. President, on behalf of my colleague [Mr. BARTLETT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Texas [Mr. YARBOROUGH], I send to the desk, for appropriate reference, a bill to increase the amount authorized to be appropriated to carry out the purposes of the Public Works Acceleration Act of 1962. I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks and that the bill lie at the desk until the close of business on March 28 so as to give those of my colleagues who wish to do so an opportunity to cosponsor this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; will lie at the desk as requested; and, without objection, will be printed as requested.

(See exhibit I.)

The bill (S. 1121) to increase the amount authorized to be appropriated to carry out the provisions of the Accelerated Public Works Act (Public Law 87-658) introduced by Mr. GRUENING (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. GRUENING. Mr. President, I believe that my introduction of this bill will not come as a surprise.

On April 25, 1962, when S. 2965 was reported by the Senate Committee on Public

Works, of which I am a member, I filed separate views in which I clearly predicted that the sum authorized to be appropriated to carry out the purposes of the bill—$900 million—was insufficient to do the job.

Mr. President, I wish I could stand here today and admit that my prediction was wrong—that the amount authorized to be appropriated had been sufficient—and that the serious pockets of chronic unemployment throughout the Nation had been eradicated or significantly decreased.

Eleven months ago, in my separate views, I stated:

"However, the amount is, in my opinion, hardly sufficient to meet the economic strain now being experienced in certain areas of the Nation."

At that time, I referred to my proposed amendment to raise the amount authorized to be appropriated to less than half the amount authorized to be appropriated for foreign economic assistance—namely, $2,645 million.

I stated at that time, Mr. President:

"In my humble opinion, no situation is more tragic than that of men and women unemployed who wish to work and cannot find it. In my humble opinion, no situation is more paradoxical than that this wealthiest country on earth, which has poured out $100 billion in the last decade and a half to help foreign countries, and proposes to spend even greater sums in the future for the same purpose, cannot meet its primary obligation to its own people.

"I am merely proposing, by this amendment, to offer a fraction for the relief of economic distress and the creation of employment for our fellow Americans of what we have been doing or are asked to do—and will doubtless continue to do—in far larger measure for inhabitants of 100 foreign countries."

Mr. President, I ask unanimous consent that my separate views to S. 2965 be printed in full at the conclusion of these remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit II.)

Mr. GRUENING. Mr. President, it may be that my suggested amendment focused attention on the insufficiency of the amount authorized to be appropriated and was instrumental in increasing that amount from $600 million to $900 million. But even that amount has not proven to be sufficient.

On March 7, the Department of Labor reported that the seasonally adjusted unemployment rate in February increased to 6.1 percent of the civilian labor force. This was up from 5.8 percent in January, despite the fact that customarily there is little change in the unemployment rate from January to February. The February 1962 rate was 5.6 percent.

This means, Mr. President, that in February 1963, 4,918,000—nearly 5 million—men and women were seeking employment and could not find it.

This continued chronic unemployment cannot be permitted to endure. The time has come for a massive effort to make taxpayers out of these tax consumers. They seek work. Let us give them work.

I said last year it was no time for half-measures.

It is even less a time for half-measures this year.

Consider, Mr. President, what continued unemployment does to a man and his family. Continued want and deprivation do not reaffirm a man's faith in the strength of our economic system.

And yet, Mr. President, that system is strong—as strong as it ever was. Our problem is to take sufficiently energetic steps at the correct time. Let us not do too little too late.

I cannot help but feel, Mr. President, that we did just that last year. Who can say what the results would now be if last year we had authorized the appropriation of three times the amount authorized under the accelerated public works program? How many of the nearly 5 million unemployed today would now be gainfully employed? How many of this nearly 5 million unemployed would today be taxpayers instead of tax consumers? How many of the families of these men and women would today have been able to hold their heads high and say that their fathers or mothers were gainfully employed and they were not dependent on handouts?

Mr. President, we will not be able to meet a serious unemployment problem with half measures, or with quarter measures. We tried it last year and it did not work.

Now one of the arguments advanced last year against my proposal to increase the amount authorized to be appropriated for the accelerated public works measure was that the States could not possibly spend all that money.

In an effort to prove this argument fallacious, I wrote all the States having areas of chronic unemployment asking how much could be spent on worthwhile public works projects.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator from Alaska may have 5 more minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GRUENING. I thank the Senator.

Mr. President, when I reported to the Senate on May 17, 1962, on the responses received up to that date—only 12 States—fewer than one-fourth of the total number—indicated that they could use $1,566 million.

I ask unanimous consent that excerpts from my remarks on that date and some of the exhibits inserted in the CONGRESSIONAL RECORD at that time, be inserted in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit III.)

Mr. GRUENING. I stated at that time:

"The question which each and every one of us must ask himself is this: Am I prepared to give to the unemployed of the depressed areas of Gadsden, Ala.; Anchorage, Alaska; Camden, Ark.; Modesto, Calif.; Bristol, Conn.; Carrollton, Ga.; Cairo-Metropolis, Ill.; Evansville, Ind.; Pittsburg, Kans.; Paducah, Ky.; Hammond, La.; Biddeford-Sanford, Maine; Cumberland, Md.; Lowell, Mass.; Detroit, Mich.; Duluth, Minn.; Washington, Mo.; Butte, Mont.; Atlantic City, N.J.; Schenectady, N.Y.; Fayetteville, N.C.; Portsmouth-Chillicothe, Ohio; Muskogee, Okla.; Altoona, Pa.; Providence, R.I.; Conway, S.C.; Greenville, Tenn.; Laredo, Tex.; Big Stone Gap-Appalachia, Va.; Aberdeen, Wash.; Charleston, W. Va.; and La Crosse, Wis., the same opportunity that has been given to the unemployed in Sudan to work on a highway construction project involving 1.8 million American dollars, or the unemployed in Yemen to work on a highway construction project involving 3 million American dollars, or to the unemployed in the Republic of China to work on the Ku-Kwan hydroelectric project involving 2.5 million American dollars, or to the unemployed in the Philippines to work on a port facilities and harbor improvement project involving 3.2 million American dollars?

"For myself the answer is abundantly clear. If I am expected to take care of the unemployed abroad with American dollars, then I can do no less than take care of the unemployed here at home first and just as adequately."

I am again today addressing to the Governors of all the States having serious pockets of chronic unemployment, a letter requesting the information as to the public works projects ready to go upon which unemployed men and women can be put to work.

At the appropriate time, I shall report to the Senate Committee on Public Works and to the Senate the results of this inquiry.

But I have no doubt at all that we shall find that there can be spent on useful, needed public works projects, throughout the land, more than the sum of $2,645 million which I propose to authorize to be appropriated for the accelerated public works program. In view of the $900 million already authorized, this is only an increase of $1,745 million.

As a matter of fact, the Honorable William L. Batt, Jr., Administrator, Area Redevelopment Administration, at a press conference on February 8, 1963, stated that at the end of January, the backlog of applications for funds for projects expected to meet program standards was $1,069 million. In addition, new projects were coming in at the rate of $300 million every month or $3,600 million per year.

It is not, therefore, a question of whether the money can be well spent in putting American unemployed men and women to work. The worthy projects exist. The necessary projects exist.

The question is: Are we willing to make the effort to get America rolling—to give America the shot in the arm it needs to get it rolling—to make an all-out effort to stimulate the American economy at the level required to drastically reduce these pockets of chronic unemployment?

For myself, I can only see an affirmative answer.

For myself, I can say only that when one considers what we are doing in the way of assisting the economies of countries abroad, there can be no question about our doing at least as much here at home for our own unemployed—for our chronically unemployed.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks excerpts from Mr. Batt's press conference and a list of unemployed percentages.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit IV.)

Mr. GRUENING. Mr. President, my amendment expresses the amount authorized as the equivalent authorized to be appropriated for the following economic foreign aid purposes:

	Million
Sec. 202: Development loan fund	$1,500
Sec. 212: Development grants	380
Sec. 402: Supporting assistance	465
Sec. 451(a): Contingency fund	300
Total	2,645

The VICE PRESIDENT. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator may proceed for an additional minute.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. GRUENING. Mr. President, I have drafted my amendment in this fashion, Mr. President, rather than expressing the sum in figures, because I desire to call attention to the fact that we are granting this same sum—and indeed more in various other ways—to aid the economies of foreign countries—to reduce the unemployment problem in foreign countries—and that we literally cannot afford to continue to do that unless we do at least as much for the unemployed here at home.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to the Senator from Minnesota.

Mr. HUMPHREY. I wish to commend the Senator on his initiative, and I wish to assure the Senator that a number of his colleagues, as he well knows, have joined in reexamining the entire accelerated public works program. The President has submitted a supplemental request of $500 million under last year's authorization, which is sorely needed. In fact, the local communities have set aside by bond issue the necessary funds for local community cooperation, as prescribed by law. I am convinced that we could well use a substantially larger sum of money, at least double what we did last year, for the accelerated public works program, to meet the necessities of existing projects which are already funded and already prepared and already designed by the local jurisdictions.

I assure the Senator that he will have my cooperation. I know that I can expect from him the same kind of cooperation, as we met together shortly to get at the new program of accelerated public works.

Mr. GRUENING. Mr. President, I thank the Senator. No Member of the Senate has been more concerned about the unemployment problem, this tragic situation which is not a mere statistic but affects the lives and happiness and welfare of millions of Americans, or has shown more concern about getting the economy moving again, than the distinguished senior Senator from Minnesota.

EXHIBIT I

A BILL TO INCREASE THE AMOUNT AUTHORIZED TO BE APPROPRIATED TO CARRY OUT THE PROVISIONS OF THE ACCELERATED PUBLIC WORKS ACT (PUBLIC LAW 87-658)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 87-658 (76 Stat. 541), approved September 14, 1962, is hereby amended by striking out the words "the sums of $900,000,000" in section 3(b), thereof, and inserting in lieu thereof the following: "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202 (for the fiscal year 1963), 212, 402, and 451(a) of the Foreign Assistance Act of 1961, as amended."

EXHIBIT II

SEPARATE VIEWS OF MR. GRUENING

I voted to report favorably S. 2965 providing for both a standby program of public works and an immediate program of public works for which an appropriation of $600 million was authorized.

It is my belief that much more than the authorized $600 million is needed and could usefully be used to put the unemployed back to work.

In a statement distributed to the members of the Public Works Committee, I stated:

"On March 27, 1962, the able and distinguished Senator from New Mexico, Mr. Chavez, introduced an amendment to S. 2965, a bill to provide standby authority to accelerate public works program of the Federal Government and State and local public bodies. The amendment would authorize the appropriation of $600 million for an immediate public works program.

"I commend the Senator from New Mexico for his foresight in submitting such an amendment.

"However, the amount is, in my opinion, hardly sufficient to meet the economic strain now being experienced in certain areas of the Nation.

"Accordingly, I now offer an amendment to the amendment of the Senator from New Mexico, raising the amount authorized to be appropriated for a program of immediate public works to the same amount authorized to be appropriated for foreign economic assistance.

"It does seem to me that we should be willing to spend at least as much at home to take care of our own economically distressed areas as we are willing to spend abroad for aiding foreign economically distressed areas.

"My amendment does not, I admit, do equal justice as between foreign and domestic programs. Under the amendment proposed by the Senator from New Mexico, Mr. Chavez, only one appropriation is authorized, namely, the sum of $600 million. Under my amendment, the limit of this one-time appropriation would be raised to the limit authorized in the Foreign Assistance Act of 1961 for the Development Loan Fund (sec. 202), the development grants and technical cooperation (sec. 212), supporting assistance (sec. 402), and contingency fund (sec. 451). Under the Foreign Assistance Act of 1961, there is authorized to be appropriated for the fiscal year 1962 and the 4 succeeding fiscal years the total sum of $7.5 billion. My proposal is much more modest. In setting the limit to the amount that would be authorized for our immediate public works program, I have used only the figure of $1.5 billion—the amount authorized for the fiscal year 1963 only.

"My amendment would increase the amount authorized to be appropriated for the immediate public works program to $2,645 million, computed as follows:

	Millions
"Sec. 202—Development Loan Fund	$1,500
Sec. 212—Development grants	380
Sec. 401—Supporting assistance	465
Sec. 451—Contingency fund	300
Total	2,645

"In proposing this increase in the amount authorized to be appropriated, I have used only the authorizations contained in the Foreign Assistance Act of 1961. I have not considered the amounts of U.S. funds made available abroad through such lending agencies as the World Bank, Export-Import Bank, Inter-American Development Bank, etc. Billions of American dollars have been and are being channeled abroad through these agencies. In many cases, the so-called loans are not loans at all but grants.

"In my humble opinion, no situation is more tragic than that of men and women unemployed who wish to work and cannot find it. In my humble opinion, no situation is more paradoxical than that this wealthiest country on earth, which has poured out $100 billion in the last decade and a half to help foreign countries, and proposes to spend even greater sums in the future for the same purpose, cannot meet its primary obligation to its own people.

"I am merely proposing, by this amendment, to offer a fraction for the relief of economic distress and the creation of employment for our fellow Americans of what we have been doing or are asked to do—and will doubtless continue to do—in far larger measure for inhabitants of 100 foreign countries.

"My amendment is as follows:

"On page 2, line 24, delete the words 'the sum of $600,000,000' and insert in lieu thereof the following: 'the same amounts authorized to be appropriated for foreign economic assistance under the provision of sections 202 (for the fiscal year 1963), 212, 401, and 451 of the Foreign Assistance Act of 1961, as amended'."

In order to insure prompt action on this vitally needed measure by the Senate, I did not press my amendment in committee but must reserve my position on the amount authorized for an immediate program of public works when this bill is considered in the Senate.

EXHIBIT III

LET US JUST ONCE DO AT LEAST HALF AS MUCH FOR THE FOLKS AT HOME AS FOR THOSE IN FOREIGN LANDS

Mr. GRUENING. Mr. President, I send to the desk an amendment to S. 2965—the emergency public works bill—which it is my intention to call up at the appropriate time.

The amendment is simple.

It raises the amounts authorized to be appropriated for emergency public works from $600 million to "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202—for the fiscal year 1963—212, 401, and 451 of the Foreign Assistance Act of 1961." Those are the exact words of my proposed amendment. However, in order that my colleagues may have the amendment before them in customary form, I ask unanimous consent that my amendment be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. GRUENING. Mr. President, I have previously served notice of my intention to offer this amendment in my individual views in the committee's report on S. 2965. I ask unanimous consent that those views be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRUENING. Mr. President, my amendment seeks only to place our domestic program for alleviating unemployment in a position of equality with what we are doing abroad. As a matter of fact, Mr. President, even if my amendment is adopted—and I sincerely trust that it will be—there still will not be equality.

The amendment which I propose would raise the maximum authorized to be appropriated for the program of emergency public works from $600 to $2,645 million computed as follows:

Sec. 202—Development Loan Fund (for fiscal year 1963 only)	$1,500,000,000
Sec. 212—Development grants	380,000,000
Sec. 401—Supporting assistance	465,000,000
Sec. 451—Contingency fund	300,000,000
Total	2,645,000,000

Actually the Foreign Assistance Act of 1961, as amended, authorizes the appropriation of much more than $2,645 million for foreign economic aid. Actually, for the 5 fiscal years beginning with fiscal year 1963, section 202 of the Foreign Assistance Act of 1961 authorizes the appropriation of $1,500 million for each of these fiscal years or a total of $7,500 million for the 5.

Thus, even with the adoption of my amendment, there would be authorized to be appropriated for this one-shot program of emergency public works to help our own unemployed only about one-third of the amount authorized to be appropriated for foreign economic aid under the Foreign Assistance Act of 1961.

I wish to make it crystal clear that my amendment does not affect or apply to the standby provisions of S. 2965. Actually, it can be said that my amendment moves up the $2 billion authorized for a program of standby public works to the emergency program and says in effect that emergency intended to be met by the standby program is upon us now.

And, considering the all too many pockets of depression of the United States, that is by no means an exaggeration.

We cannot accurately judge the human misery stalking our land by looking at the overall rate of unemployment.

During the week ending April 28, 1962, insured unemployment in Nome, Alaska, was 33.5 percent. It was no comfort to the unemployed worker in Nome to know that the national rate of insured unemployment during the same week was 4.3 percent.

The unemployed worker in Fairbanks—insured unemployment rate 17.9 percent—could derive little comfort from the fact that the Congress was talking about standby public works when things get worse.

How much worse must it get, Mr. President, before the Congress acts to relieve to the extent possible unemployment in the numerous pockets throughout the Nation?

I ask unanimous consent, Mr. President, that there be printed at the conclusion of my remarks a table, prepared by my office, of unemployment in Alaska for the week ending April 28, 1962. These figures have been derived from the Labor Market Bulletin issued by the Alaska Department of Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. GRUENING. Mr. President, this is no time to stand by. This is a time for bold, decisive action. In my opinion, nothing can be more heartrending than a man—a husband and a father—who cannot find work to support himself and family even though, week after week after week, he trudges wearily from door to door seeking such work. It is distressing for single men with no family responsibilities.

Dr. Kenneth Galbraith has written an excellent book entitled "Our Affluent Society" showing that more people in the United States are now living at a higher standard than ever before. I agree with the picture he has drawn in his book and I am happy that it is so.

But in rejoicing at the greater affluence of more and more of our people, let us not overlook the almost one-fourth of our Nation who are living in abject poverty without hope for the future or for their children's future unless prompt and intelligent measures are taken at once. The plight of these 40 million Americans is graphically pictured in a recent book by Mr. Michael Harrington, entitled "The Other America," published by Macmillan Co. this year. I commend it highly to my colleagues for it brings to our attention forcefully the need for immediate action—and action on a scale commensurate with the size of the problem.

As long as this problem exists for some 40 million Americans it is our inescapable duty to face it and to eliminate it as far as it is humanly possible. Our obligation to these Americans, in my judgment, supersedes aid for impoverished people in other lands. Moreover we shall be able to help these people in foreign countries all the better if we raise our own living standards and put an end to the costly wastes of chronic unemployment.

In this—the richest of all lands—such a situation cannot and should not be tolerated.

Nor should we meet an emergency situation with halfway measures. We should not delude the people of the Nation. We must bring to bear on a solution of this problem all the resources that are needed. To do less is little better than doing nothing at all. To do less would be to disappoint millions of unemployed men and women throughout the country who are looking to Congress for action now.

According to the report from the Area Redevelopment Agency of the Department of Commerce as of May 1, 1962, 933 areas in the United States are designated as eligible to take part in the area redevelopment program. These are divided as follows: 148 urban-industrial areas; 735 rural and small labor markets; and 50 Indian reservations.

These areas have a population of 34.7 million people and a labor force of 13.2 million. Of the latter 1.4 million are unemployed. Thus these areas have 19 percent of the Nation's population and 19 percent of the Nation's labor force, but they have 31 percent of the unemployed of the country.

Now what is proposed to meet the persistent high rate of unemployment of these 933 areas throughout the Nation?

It is proposed in S. 2965 to authorize the appropriation of $2 billion for a program of public works on a standby basis, usable only if the total unemployment in the Nation rises to a predetermined figure. In addition, it is proposed to authorize the appropriation of an additional $600 million for an emergency, immediate public works program. This sum averages about $600 for each man and woman unemployed in these designated areas, assuming the entire amount is spent on wages, which, of course, will not be the case.

My amendment would quadruple that sum. That quadrupled sum would be much more realistic considering the magnitude and the urgency of the problem.

I wish to make it absolutely clear that my proposal would not take a single penny from the foreign aid program. It merely uses the particular wording to point up the fact that we would be spending on this one-shot, emergency program here at home far less than we are spending abroad for economic aid.

The foreign aid program would continue as now authorized and the money appropriated for that program would remain intact, if Congress approves.

I know that the question will be raised: can the sum you propose to spend on public works within 27 months actually be spent by the States economically and efficiently within that period of time.

It should be raised, and answered, because I do not want to propose anything here that would lead to wasteful expenditure of Federal funds. I know that none of my colleagues want to do so either.

But I do know that along with me many of my colleagues are concerned that we do enough to meet the problems of persistent unemployment in the 933 designated areas throughout the country.

In order to obtain the answer, I wired the Governors of the 50 States of the Nation and asked them the question and asked them to be specific in their replies. I ask unanimous consent that a copy of my telegram to the Governors of the States be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. GRUENING. Mr. President, I have to date received replies from the Governors of only 12 States who have indicated that they are ready to go with public works projects totaling $1.6 billion.

I also ask unanimous consent that the detailed replies received from the Governors of these States be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. GRUENING. Mr. President, let no one here delude himself.

We shall either spend this $2,645 million on constructive investments in the future economic strength of the United States—in schools, hospitals, roads, sewer and water works, dams, airports and the like—or we shall spend that and much more in the next 27 months and in the years to come in unemployment compensation and in welfare payments, and suffer the loss of tax revenue which fuller employment will generate.

We cannot long neglect our own resources—human and natural—while building the resources of foreign nations. At stake is not our willingness to continue to aid the less-developed countries; at stake is our ability to continue without at the same time renewing our own strength.

We can renew that strength by a program of public investments of the magnitude which I propose by my amendment.

In the years 1955–61, we have granted to foreign nations for foreign economic aid projects of exactly the same type as would be constructed under my amendment millions upon millions of American dollars.

Can we afford to do less for our own people at a time when many of the areas of our Nation are so hard pressed?

Can we afford to do less for the unemployed of the United States when we are doing so much for the unemployed and others abroad?

As one reads about the flight of capital from Latin America one cannot but compare the lack of faith of the rich of those nations with the abiding faith of our unemployed who are willing to pitch in and work but lack only the opportunity to work.

I ask, Mr. President, for an additional $2 billion to give our own citizens the same chance that we have given and are giving to the citizens of other lands.

The question which each and every one of us must ask himself is this: Am I prepared to give to the unemployed of the depressed areas of Gadsden, Ala.; Anchorage, Alaska; Camden, Ark.; Modesto, Calif.; Bristol, Conn.; Carrollton, Ga.; Cairo-Metropolis, Ill.; Evansville, Ind.; Pittsburg, Kans.; Paducah, Ky.; Hammond, La.; Biddeford-Sanford, Maine; Cumberland, Md.; Lowell, Mass.; Detroit, Mich.; Duluth, Minn.; Washington, Mo.; Butte, Mont.; Atlantic City, N.J.; Schenectady, N.Y.; Fayetteville, N.C.; Portsmouth-Chillicothe, Ohio; Muskogee, Okla.; Altoona, Pa.; Providence, R.I.; Conway, S.C.; Greeneville, Tenn.; Laredo, Tex.; Big Stone Gap-Appalachia, Va.; Aberdeen, Wash.; Charleston, W. Va.; and La Crosse, Wis., the same opportunity that has been given to the unemployed in Sudan to work on a highway construction project involving 1.8 million American dollars, or the unemployed in Yemen to work on a highway construction project involving 3 million American dollars, or to the unemployed in the Republic of China to work on the KuKwan hydroelectric project involving 2.5 million American dollars, or to the unemployed in the Philippines to work on a port facilities and harbor improvement project involving 3.2 million American dollars?

For myself, Mr. President, the answer is abundantly clear. If I am expected to take care of the unemployed abroad with American dollars then I can do no less than take care of the unemployed here at home first and just as adequately.

Mr. President, to date I have received replies from Governors of the following States giving the amounts which they could use for public works which could be completed in 27 months:

State:	*Amount*
Alabama	$50,500,000
Alaska	64,184,400
California	183,000,000
Colorado	20,926,000
Connecticut	28,545,000
Hawaii	24,111,912
Maryland	92,590,000
Michigan	639,000,000
Nevada	4,968,000
Ohio	329,259,645
Washington	40,000,000
West Virginia	89,155,950

It is obvious from even this response that in all the States at least four times the amount of funds which I propose could be

spent on useful public works projects to relieve unemployment in areas of chronic unemployment.

My proposal is really a very modest one considering the need.

EXHIBIT 1

On page 10, line 2, and on page 11, line 1, delete the words "the sum of $600,000,000" and insert in lieu thereof the following: "the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202 (for the fiscal year 1963), 212, 401, and 451 of the Foreign Assistance Act of 1961, as amended".

EXHIBIT 2

SEPARATE VIEWS OF MR. GRUENING

I voted to report favorably S. 2965 providing for both a standby program of public works and an immediate program of public works for which an appropriation of $600 million was authorized.

It is my belief that much more than the authorized $600 million is needed and could usefully be used to put the unemployed back to work.

In a statement distributed to the members of the Public Works Committee, I stated:

"On March 27, 1962, the able and distinguished Senator from New Mexico, Mr. Chavez, introduced an amendment to S. 2965, a bill to provide standby authority to accelerate public works program of the Federal Government and State and local public bodies. The amendment would authorize the appropriation of $600 million for an immediate public works program.

"I commend the Senator from New Mexico for his foresight in submitting such an amendment.

"However, the amount is, in my opinion, hardly sufficient to meet the economic strain now being experienced in certain areas of the Nation.

"Accordingly, I now offer an amendment to the amendment of the Senator from New Mexico, raising the amount authorized to be appropriated for a program of immediate public works to the same amount authorized to be appropriated for foreign economic assistance.

"It does seem to me that we should be willing to spend at least as much at home to take care of our own economically distressed areas as we are willing to spend abroad for aiding foreign economically distressed areas.

"My amendment does not, I admit, do equal justice as between foreign and domestic programs. Under the amendment proposed by the Senator from New Mexico, Mr. Chavez, only one appropriation is authorized, namely, the sum of $600 million. Under my amendment, the limit of this one-time appropriation would be raised to the limit authorized in the Foreign Assistance Act of 1961 for the Development Loan Fund (sec. 202), the development grants and technical cooperation (sec. 212), supporting assistance (sec. 402), and contingency fund (sec. 451). Under the Foreign Assistance Act of 1961, there is authorized to be appropriated for the fiscal year 1962 and the 4 succeeding fiscal years the total sum of $7.5 billion. My proposal is much more modest. In setting the limit to the amount that would be authorized for our immediate public works program, I have used only the figure of $1.5 billion—the amount authorized for the fiscal year 1963 only.

"My amendment would increase the amount authorized to be appropriated for the immediate public works program to $2,645 million, computed as follows:

Sec. 202—Development Loan Fund	$1,500,000,000
Sec. 212—Development grants	380,000,000
Sec. 401—Supporting assistance	465,000,000
Sec. 451—Contingency fund	300,000,000
Total	2,645,000,000

"In proposing this increase in the amount authorized to be appropriated, I have used only the authorizations contained in the Foreign Assistance Act of 1961. I have not considered the amounts of U.S. funds made available abroad through such lending agencies as the World Bank, Export-Import Bank, Inter-American Development Bank, etc. Billions of American dollars have been and are being channeled abroad through these agencies. In many cases, the so-called loans are not loans at all but grants.

"In my humble opinion, no situation is more tragic than that of men and women unemployed who wish to work and cannot find it. In my humble opinion, no situation is more paradoxical than that this wealthiest country on earth, which has poured out $100 billion in the last decade and a half to help foreign countries, and proposes to spend even greater sums in the future for the same purpose, cannot meet its primary obligation to its own people.

"I am merely proposing, by this amendment, to offer a fraction for the relief of economic distress and the creation of employment for our fellow Americans of what we have been doing or are asked to do—and will doubtless continue to do—in far larger measure for inhabitants of 100 foreign countries.

"My amendment is as follows:

"On page 2, line 24, delete the words 'the sum of $600,000,000' and insert in lieu thereof the following: 'the same amounts authorized to be appropriated for foreign economic assistance under the provisions of sections 202 (for the fiscal year 1963), 212, 401, and 451 of the Foreign Assistance Act of 1961, as amended'."

In order to insure prompt action on this vitally needed measure by the Senate, I did not press my amendment in committee but must reserve my position on the amount authorized for an immediate program of public works when this bill is considered in the Senate.

ERNEST GRUENING.

EXHIBIT 3

Private industry insured unemployment rates by administrative area and industry

By administrative area	This week (Apr. 28, 1962)		Last week (Apr. 21, 1962)		Year ago (Apr. 29, 1961)	
	Weeks claimed	IUR [1]	Weeks claimed	IUR [1]	Weeks claimed	IUR [1]
State	5,322	16.2	5,699	17.4	6,500	19.9
Anchorage	3,005	16.7	3,198	17.8	3,315	18.4
Fairbanks	1,220	17.9	1,322	19.3	1,664	27.6
Juneau	282	10.5	294	10.9	328	11.5
Ketchikan	276	10.3	302	11.3	500	15.9
Nome	177	33.5	201	38.0	207	33.3
Petersburg	274	34.7	297	37.6	312	40.9
Sitka	88	7.2	85	7.0	165	13.8

By industry	This week (Apr. 28, 1962)		Last week (Apr. 21, 1962)		Year ago (Apr. 29, 1961)	
	Weeks claimed	IUR [1]	Weeks claimed	IUR [1]	Weeks claimed	IUR [1]
Total	5,322	16.2	5,699	17.4	5,600	19.9
Mining	201	17.4	257	22.3	310	27.6
Construction	2,044	45.0	2,238	49.3	2,706	46.6
Manufacturing	1,035	19.7	985	18.8	1,232	21.5
Transportation and utilities	462	6.6	542	7.7	502	8.3
Trade	503	6.2	571	7.0	627	8.3
Finance	56	3.7	51	3.4	80	5.7
Service and other	1,021	19.8	1,055	20.5	1,043	21.0

[1] Insured unemployment rate.

EXHIBIT 4

APRIL 18, 1962.

Senate Public Works Committee today reported emergency public works bill authorizing appropriation of $600 million for one-shot effort for public works projects in economically distressed areas. As member of committee, I expressed concern that sum authorized was totally inadequate to meet Nation's needs. Would appreciate your writing me as soon as possible giving me as much information as possible concerning public works projects in economically distressed areas of your State which could be completed in 27 months, giving estimated costs and man-hours of work which would be provided.

EXHIBIT 5

STATE OF ALASKA,
Juneau, May 2, 1962.

Hon. ERNEST GRUENING,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR GRUENING: We have gathered the following information from the Alaska Department of Public Works.

Of the approximately $388,812,748 listed as capital improvement needs for the next 6 years, approximately $99 million would be paid for by the State of Alaska, exclusive of any Federal moneys made available under Federal grant-in-aid programs. A summary of this $388,812,748 program is set forth on page 8 of the attached document, "A Capital Improvement Program for the State of Alaska, 1962–68." Projects which are to be financed in whole or part from State or local funds are summarized on pages 11 through 17.

As you can see, we have a considerable inventory of buildings, structures, and improvements that should be built. We do not have a great many projects ready to be advertised at this time, but we should be able to add to the list fairly quickly providing that we can obtain Housing and Home Finance Agency advances for advance planning and providing that the various bonding proposals pass. With the incentive provided by a public works act, such as S.

295, the State could prepare a number of the more uncomplicated projects, such as classroom additions to State-operated schools, small State-operated schools for contract, and make application for Housing and Home Finance Agency planning advances and grants for the more extensive projects. Actually, we are now working on a number of applications for HHFA advances and grants for the planning and design of a number of State-operated schools and various facilities at the University of Alaska.

Accordingly, the following list of projects which are designed, are being designed, or will be designed in next year, very substantially understates our ability to utilize S. 2965 in carrying out the purpose of that act. In this connection, I should note that the capital improvement program is a conservative document. In preparing the capital improvement program many needed projects were deleted to hold the program within the State's ability to finance.

The projects which probably most nearly qualify for immediate consideration under a standby public works act are:

1. The International Airport Terminal buildings projects at Anchorage and Fairbanks, representing a value of $3.8 million and $1.8 million, respectively, are fully complete and ready for bidding.

2. Projects which are now in the planning stage with design completion anticipated before August of this year are Salcha Elementary School ($160,000), Eagle River School addition ($288,000), Soldotna School addition ($183,000), and Glen Allen refrigeration and foundation ($55,000). Funds for these projects have been provided under the 1962–63 State education budget. The total for these schools is $686,000.

3. At present, three applications are being prepared for submittal to the Housing and Home Finance Agency for an "Advance for Public Works Planning." If approved, funds would be available to complete architectural-engineering design for the Ninilchik School addition ($400,000), the Metlakatla Elementary School ($600,000), and the Fort Yukon School addition ($260,000). Approximately 5 months will be required before these projects would be "set to go." The total for these schools is $1,260,000.

4. The following schools might be ready for contract this year if the $5 million bond issue for State operated schools passes:

Ambler School	$55,000
Eagle River (further classroom addition)	52,000
Delta Junction	516,000
Homer	554,000
Tanana	252,000
North Kenai	554,000
Sterling	150,000
Chugiak High School	1,200,000
McGrath	78,000
Brown's Ct	160,000
Fortuna Ledge	78,000
Total	3,649,000

NOTE.—The legislature appropriated $75,000 for planning and design for Chugiak High School. Some preliminary work has already been done on this project.

5. The vocational school at Nome, although funded under a $1,500,000 general obligation bond authorization, is another project which could qualify. Final plans could be completed within 5 months.

6. If the $7,200,000 bonding program for the University of Alaska passes, money will be available for the construction of an addition to the engineering and physical sciences building, a biological sciences and renewable resources building, completion of the university's new heating plant, and other related facilities.

7. Invitations to bid on the construction of fire and crash stations at the Anchorage and Fairbanks International Airports, approximately $180,000 each will be advertised this June.

8. A $160,000 addition to the Miner and Minerals Building in Anchorage may be erected in the 1963 construction season.

9. Proposed water and harbors projects scheduled for the 1962 and 1963 construction seasons which are not yet under contract are:

Angoon, docks	$50,000
Cordova, floats	50,000
Craig, dock	40,000
Douglas, floats	45,000
Homer, floats	65,000
Hydaburg dock	25,000
Hyder, float	7,500
Klawock, dock approach	40,000
Kodiak, floats	30,000
Ninilchik, floats	23,000
Seldovia, floats	65,000
Seward, floats	46,000
Valdez, floats	38,000
Wrangell, floats	31,000
Total	555,500

NOTE.—Considerable work has been done on some of the foregoing projects or is now underway. Since this work is already contracted out, it is not reflected in the above estimated cost figures. Other projects which are now under contract are also not reflected.

10. The following bush airfields are programed for construction in the 1962 and 1963 construction seasons:

New Stuyahok	$15,000
Alitak	50,000
Anvik	15,000
Buckland	10,000
Chevak	15,000
Circle City	7,500
Egegik	20,000
False Pass	10,000
Goodnews	10,000
Holikachuk	15,000
Kasaan	5,000
Koliganek	10,000
Koyukuk	15,000
McCarthy	49,000
Metlakatla	5,000
Nulato	25,000
Ouzinkie	30,000
Pilot Point	15,000
Quinhagak	5,000
Russian Mission	15,000
Shakeluk	7,400
Shungnak	10,000
Stebbins-St. Michael	10,000
Tanunak	15,000
Togiak	10,000
Total	393,900

I have omitted mention of projects planned for our annual $37 to $40 million Federal aid highway program and the Federal aid airport program. I gather that these programs will not be affected by the proposed standby public works act.

If I can supplement any of this information, please let me know.

Sincerely,

GARY THURLOW,
Executive Assistant.

SACRAMENTO, CALIF., *May 17, 1962.*

Hon. ERNEST GRUENING,
U.S. Senator,
Washington, D.C.:

In reply to your telegram of April 18, it is estimated that the State of California could initiate and accelerate $183 million in public works projects and complete them within a period of 27 months. These projects would utilize an estimated 18 million man-hours of labor at the job site.

EDMUND G. BROWN,
Governor of California.

OLYMPIA, WASH., *May 2, 1962.*

Hon. ERNEST GRUENING,
U.S. Senator,
Senate Office Building,
Washington, D.C.:

Review of public works of our State indicates that nearly $400 million would be needed for the completion of the total public works projects contemplated in the next 3 to 4 years in economically distressed areas when limited to projects believed to have a completion date within a 27-month period. The total would amount approximately to $40 million. This latter figure would represent specific items such as buildings, utilities, etc. The larger figure given would include such items as dam completion, the canal possibility, atomic generation of electric power, and steam generation coal plants.

ALBERT D. ROSELLINI,
Governor of Washington.

THE STATE OF NEVADA,
Carson City, April 27, 1962.

Hon. ERNEST GRUENING,
Senate Public Works Committee,
U.S. Senate, Washington, D.C.

DEAR SENATOR GRUENING: I am happy to supply the information you requested in your recent telegram regarding the emergency public works bill.

The accompanying data, compiled by our department of highways, relates to roadway construction contemplated or underway in the counties of Lincoln and Mineral, the two Nevada counties officially recognized by the Federal Government as depressed under the area redevelopment program.

I trust the enclosed data provides you with the information you desire. If I can be of any further service, please let me know.

Cordially,

GRANT SAWYER,
Governor.

Road contracts to be completed within approximately the next 27 months, Lincoln and Mineral Counties, Nev.

	Estimated construction cost	Estimated man-hours
Lincoln County:		
Project S-544(10) U.S. 93 from 14 miles southeast to 1 mile north of Alamo (15 miles)	$1,600,000	150,000
Project S-544(9) U.S. 93 from 14 miles to 22 miles southeast of Alamo (8 miles)	700,000	63,000
Project F-008-1(3) SR 25, from 2d St. to 6th St. in Panaca (0.5 mile)	70,000	7,000
Subtotal	2,370,000	220,000
Mineral County:		
Project F-004-1(3) U.S. 6 from 8.6 miles east of California-Nevada State line to 3.5 miles east of Basalt (6.7 miles) (construction underway)	948,000	86,000
Project F-004-1(4) U.S. 6 from California-Nevada State line to 8.6 miles east (8.6 miles) (construction underway)	1,100,000	99,000
Project S-525(1) FAS 525 from Nevada-Scheelite mine north to U.S. 50 (19.1 miles) (25 percent of this project in Mineral County)	550,000	52,000
Subtotal	2,598,000	237,000
Grand total	4,968,000	457,000

STATE OF COLORADO,
Denver, April 27, 1962.

Hon. ERNEST GRUENING,
Senate Office Building,
Washington, D.C.

DEAR SENATOR GRUENING: In response to your telegram of April 18, we are enclosing a list of public works projects in Colorado redevelopment areas that reportedly could be initiated and completed in 27 months subject to availability of funds.

This information was accumulated through contact with various city and county officials and State agencies.

We are not entirely familiar with the criteria for eligibility to participate under the terms of the proposed legislation or with the legislative definition of public works. We have not, therefore, attempted to evaluate whether or not all of the listed projects could qualify for assistance under the proposed legislation.

We were not able to obtain an assessment of the man-hours of work which would be provided by the projects as engineering studies are not available in connection with most of the proposals.

Very truly yours,

STEVE MCNICHOLS.

List of public works projects in redevelopment areas that could be initiated and completed in 27 months if funds were available as reported by various city and county officials and projects listed by the game and fish department

Area		Description	Estimated cost
County	City		
Alamosa		Water service to East Alamosa	$250,000
		Community youth center	200,000
		Addition to county courthouse	150,000
		Storm sewer and curb and gutter for East Alamosa	50,000
		Dike and river work on Rio Grande through city of Alamosa	50,000
		Total	700,000
	Alamosa	Paving city streets	386,000
		Extending airport runway	40,000
		New water well, mains, and extensions	100,000
		Enlarge sewer lagoons	50,000
		Storm sewer, South Alamosa	60,000
		Sanitary sewer system; new major trunkline	330,000
		Total	966,000
		Total, Alamosa County	1,666,000
Clear Creek		Georgetown Reservoir	360,000
	Idaho Springs	Shortwave communication system for city and county	8,000
		City street paving	75,000
		Sewage disposal plant	20,000
		Total	103,000
	Georgetown	Sewage disposal plant and collection system	100,000
		Develop Georgetown Lake as recreational area	225,000
		Rebuild water distribution system	100,000
		Total	425,000
		Total, Clear Creek County	888,000
Conejos		No county projects reported	
	Antonito	75 low-cost dwellings for transient workers	400,000
		Waterline	60,000
		Sewer system	180,000
		Total	640,000
	La Jara	No projects reported	
		Total, Conejos County	640,000
Costilla		County courthouse and jail	225,000
		County shops	100,000
		Fort Garland community building	35,000
		Hospital addition	50,000
		San Luis Water and Sanitation District sewage system	(1)
		Total	410,000
	Blanca	Water and sanitation system	(1)
		Total, Costilla County	410,000
Gilpin		Improvement, Corona Pass Rd	225,000
	Blackhawk	Water system and sewage disposal plant	75,000
	Central City	Water system and sewage disposal plant	100,000
		Recreational development, park, etc	25,000
		Total	125,000
		Total, Gilpin County	425,000
Huerfano		County courthouse and jail	1,000,000
		Surfacing county roads to ski and other scenic areas	239,000
		Acquisition and development of irrigation system for development of recreational facilities for Huerfano-Cucharas area.	3,000,000
		Waterfowl development	110,000
		Total	4,349,000
	La Veta	Expansion of sewer collection system and disposal plant	40,000
		Water filter plant	65,000
		Total	105,000
	Walsenburg	Sewage disposal plant	158,000
		Street paving, curbs, gutters, and storm sewer system	500,000
		Rebuilding and extending waterlines	100,000
		Purchase and install watermeters	108,000
		Extension of sewerlines	42,000
		Rebuilding electric distribution system and expanding electric production facilities	1,500,000
		City park recreational area	50,000
		Mine museum	18,000
		Senior high school	750,000
		Total	3,226,000
		Total, Huerfano County	7,680,000

[1] No estimate.

List of public works projects in redevelopment areas that could be initiated and completed in 27 months if funds were available as reported by various city and county officials and projects listed by the game and fish department—Continued

Area		Description	Estimated cost
County	City		
Las Animas		Grade and pave Cucharas Pass for 12 miles	$1,000,000
		Construction of 2-mile connecting roads between 2 State highways	40,000
		Recreational development at fairgrounds	50,000
		Pave connecting road from Aguilar to Highway 111	200,000
		Develop mountain recreation area	100,000
		Enlargement of North Lake	100,000
		Enlargement of Mountain Lake	200,000
		Alkali Creek Reservoir	100,000
		New road construction, North Fork, Purgatoire River	50,000
		Total	1,840,000
	Aguilar	Filter plant and water distribution system	200,000
	Cokedale	Pave streets	50,000
		Water distribution and storage	300,000
		Total	350,000
	Trinidad	New sewage lines and disposal plant	627,000
		Animas St. Bridge over Purgatoire River	230,000
		Rebuild water distribution system and water storage facilities	2,230,000
		Curb and gutter and paving	1,500,000
		Garbage, refuse, and disposal	40,000
		Police and fire building	200,000
		Development of Monument Lake Recreational Area	2,000,000
		Total	6,827,000
		Total, Las Animas County	9,217,000
		Grand total	20,926,000

THE STATE OF OHIO,
Columbus, April 27, 1962.

The Honorable ERNEST GRUENING,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR: Mr. E. S. Preston, director of highways, has estimated that in the 20 counties which have been declared as distressed areas, that his department could have the capacity to develop plans and complete $250 million worth of highway construction projects in the next 27 months. There is now under construction in the same area 102 miles of highways estimated to cost $79,797,000. He further estimates that the $250 million highway construction program would generate 28 million man-hours of work.

This area, I think, will be benefited immeasurably by the improvement of the highway situation which I think contributes very largely to the chronic depression that exists. If it is difficult to move man and materials into a community, then this community does not lend itself to industrial or economic development. Other programs can be of assistance, but there is no program that can be more helpful and is as basic as is the improvement of the manner of transportation.

I have asked our director of public works to also report on the necessities of this area with reference to public works generally and, as soon as those figures are available, we will make them available to you.

With all best personal wishes to you, I am,

Sincerely,

MICHAEL V. DISALLE,
Governor.

Ohio Department of Natural Resources—Public works projects for economic distressed areas in Ohio

Project	Description	County	Total cost	Labor, man-hours	Department's priority	Annual economic benefits	Remarks
Ohio Brush Creek Reservoir	Recreation and water supply	Adams	$3,530,700	321,920	3	$3,000,000	Construction plans needed.
Brush Creek and Shawnee State Forests.	Timber stand improvement, roads and trails, structures.	do	442,060	268,350	1	(1)	
Trimble water system	Villge distribution system	Athens	60,000	4,081	1	5,000	Plans complete.
Strouds Run State Park development.	Buildings, water and sewer, camping, swimming beach, roads and parking, docks and ramps, reforestation.	do	600,000	50,000	3	50,000	Estimate 10,000 annual increase park attendance. Dow Lake in this park is an attraction which far exceeds facilities available.
Watterloo, Gifford, and Athens Park State Forests.	TSI, roads and trails, structures	do	74,011	45,260	1	(1)	
Belmont Lake	Road relocation	Belmont	205,000	17,083	1		Plans complete.
Barkcamp State Park	Buildings, water and sewer, roads and parking, docks and ramps, reforestation, camping, picnic areas.	do	700,000	58,000	3	500,000	New park with lake ready for filling except for road relocation. Would serve transient trade using Interstate 70.
White Oak Reservoir	Recreation and water supply	Brown	3,106,783	121,872	3	1,500,000	Construction plans needed.
Stonelick State Park development	Camping area	Clermont	250,000	20,833	1	150,000	Construction plans complete.
Salt Fork Reservoir	Water supply and recreation	Guernsey	2,157,600	206,757	1	4,000,000	Construction plans complete. Includes road relocation and land needed.
Hocking State Park development	Camping area	Hocking	257,000	21,417	1	100,000	Plans complete.
Hocking and Tar Hollow State Forests.	TSI, roads and trails structures	do	244,215	138,650	1	(1)	
Richland Furnace State Forest	do	Jackson	426,000	252,000	1	(1)	
Dean State Forest	TSI, roads and trails	Lawrence	48,500	30,000	1	(1)	
Forked Run State Park development	Camping area	Meigs	70,000	5,833	1	50,000	Do.
	Buildings, roads and parking, reforestation.	do	75,000	6,000	3		
Shade River State Forest	TSI, roads and trails structures	do	94,825	41,370	1	(1)	
Burr Oak State Park development	Camping area	Morgan	110,000	9,167	1	75,000	Do.
Wolf Run Reservoir	Water supply and recreation	Noble	577,830	48,153	2	500,000	Need construction plans.
Pike State Forest	TSI, roads and trails structures	Pike	416,800	243,900	1	(1)	
Ross County Lake	Recreation	Ross	400,000	25,000	1	50,000	Feasibility report being completed.
Scioto Trail and Tar Hollow State Forests.	TSI, roads and trails structures	do	526,600	329,300	1	(1)	
Shawnee Recreational Area	Construct 3 impoundments and reconstruct another for recreation.	Scioto	506,933	42,245	2	150,000	Need construction plans.
Shawnee and Brush Creek State Forests.	TSI, roads and trails structures	do	1,322,400	813,900	1	(1)	
Lake Hope State Park development	Camping area	Vinton	$86,000	7,167	1	150,000	Plans complete.
	Cabins, water and sewer, swimming pool, roads and parking.	do	1,300,000	108,000	3	320,000	Estimate of 64,000 annual increase in park attendance.
Wheelabout Reservoir	Recreational impoundment	do	130,000	6,667	2	150,000	Construction plans needed.

See footnote at end of table.

Ohio Department of Natural Resources—Public work projects for economic distressed areas in Ohio—Continued

Project	Description	County	Total cost	Labor, man-hours	Department's priority	Annual economic benefits	Remarks
Zaleski and Tar Hollow State Forests	TSI, roads and trails, structures	Vinton	$533,343	320,225	1	(1)	
Muskingum River locks and dams	Repairs to locks and dams 1 to 8, inclusive for recreation and commerce.	Washington	677,870	56,489	1	$233,000	Construction plans needed. Preliminary design on No. 6 completed.
	Fishermen's access and boat ramps at 8 lock and dam pools.	do	20,000	2,000	1	48,000	These facilities would accommodate 16,000 fishermen per year.
Total			18,855,645	3,582,369			

[1] The improvement of the timber stands on State forests will not result in immediate financial returns to the community except for the wages paid to local workers; however, ample benefits will be enjoyed in future years. Timber stand improvement includes tree planting, pruning crop trees, thinning dense stands, and removal of cull trees and vines. The increases in value to the remaining stand will result from more rapid growth and higher quality timber. Under Ohio conditions, this improvement will often double the volume of wood produced. The cutting and fabricating of the raw materials will support local industries and attract new users of wood to these dependable sources of supply. Recreational benefits will accrue also. Wild land under intensive forest management produces maximum populations of wildlife.

OHIO

Project cost summary by counties

Adams	$136,050
Athens	19,280,700
Belmont	989,630
Brown	114,080
Clermont	61,050
Gallia	7,597,360
Guernsey	3,268,563
Highland	19,080
Hocking	1,460,860
Jackson	19,080
Lawrence	101,360
Meigs	536,360
Monroe	19,080
Morgan	903,360
Noble	229,080
Pike	81,080
Portage	17,517,223
Ross	137,080
Scioto	2,580,360
Vinton	972,050
Washington	557,510
Southeast Ohio	3,823,709
Total	60,404,705

STATE OF MICHIGAN,
Lansing, April 19, 1962.

Hon. ERNEST GRUENING,
U.S. Senator,
Washington, D.C.

DEAR SENATOR GRUENING: The Senate Public Works Committee's approval of President Kennedy's $2.6 billion public works program to combat unemployment is encouraging. With 268,000 workers, 9.2 percent of our labor force, currently unemployed in our State, we feel the need of this legislation is eminent.

You ask for information concerning Michigan's ability to participate in the $600 million immediate effect provision of the program.

We currently have 53 areas in our State that qualify under this legislation as area redevelopment or eligible labor surplus areas. In an analysis I recently conducted, I found that we are ready to embark upon capital improvement programs totaling $639 million that would provide approximately 60,000 man-years of employment. These figures were developed only from those projects in Michigan that can meet the limitations of the $600 million proposal. They constitute, if anything, an understatement of the volume of activity that could be started in Michigan without delay.

While we have not projected our figures to a period longer than 12 months, it is our belief that the backlog of public works projects that could be initiated at the present time in Michigan would certainly absorb any extension of the time and financial limits of the program.

Concerning the time duration of the project, I urge the House Public Works Committee to grant a flexible time limit for project duration. Due to weather conditions in Michigan, a limit of 12 months would prohibit the initiation of some public works projects that might otherwise qualify.

My statement to the House Committee on Public Works contains a detailed breakdown of the type of projects we could initiate in Michigan. I am enclosing a copy of this statement for your information.

Sincerely,

JOHN B. SWAINSON,
Governor.

STATE OF CONNECTICUT,
Hartford, April 26, 1962.

Hon. ERNEST GRUENING,
Senate Office Building,
Washington, D.C.

DEAR SENATOR GRUENING: The following is a list of public works projects as requested in your telegram of April 18:

Ansonia area:	
Ansonia-Derby flood control project	$6,000,000
Street and road reclassification project	250,000
Sewage disposal plant	1,000,000
Additional recreational facilities	100,000
Reconstruction of Route 34 in Derby from 3d St. to A St	200,000
Reconstruction of 0.2 mile of Route 115 and railroad underpass, Maple St. to Broad St., town of Seymour	1,000,000
Reconstruction of 1.5 miles of Route 115 in Derby and Ansonia from Route 34 to Colburn St	800,000
Bristol area:	
City hall (Bristol)	1,630,000
Civic center (Bristol)	450,000
Fire station (Bristol)	250,000
City streets (Bristol)	2,000,000
Sewage treatment plant (Bristol)	2,535,000
Airport (town of Plymouth)	500,000
Industrial park (town of Plymouth)	500,000
Construction of truck climbing lane on Route 69, Bristol	205,000
Widening approximately 1 mile of Route 6, Bristol, in Jerome Ave. vicinity	250,000
Extension of truck climbing lane on Route 6 in Plymouth from end of 1962 construction to vicinity of Todd Hollow Rd	100,000
Correcting sight line on Route 6, in Plymouth, in the vicinity of Orchard and Kellogg Sts	150,000
Danielson (town of Killingly) area:	
Sewer treatment plant and pumping station (Killingly)	800,000
Town dump and incinerator (Killingly and Putnam jointly)	700,000
Downtown renewal project (Killingly)	3,000,000
Danielson (town of Killingly) area:	
Town roads drainage and repair (Killingly)	$100,000
Sewage facilities and disposal (Plainfield)	500,000
Recreational project	150,000
Correction of sight line on Route 169, 1 mile south of Brooklyn town line	75,000
Reconstruction of 1.2 miles of Route 171 from Thompson town line to Quinebaug River	400,000
Reconstruction of 2.6 miles of Route 169 in Pomfret and Woodstock from Route 44 to Route 171	700,000
Reconstruction of Maple St., Killingly, from Route 6 to Route 101	375,000
Reconstruction of Route 12 south of Route 6 underpass	200,000
Reconstruction of Route 12 in Putnam and Thompson from 300 feet south of Route 12 to 0.5 mile north of Route 193	4,500,000
Resurfacing of Main St., Killingly	100,000

The estimated cost of the above-listed projects is $28,545,000 including $19,865,000 in local projects and $8,680,000 in State highway department projects.

Sincerely,

JOHN DEMPSEY,
Governor.

STATE OF MARYLAND,
DEPARTMENT OF ECONOMIC DEVELOPMENT,
Annapolis, Md., April 25, 1962.

The Honorable ERNEST GRUENING,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR GRUENING: Governor Tawes has asked me to reply to your telegram of April 18 regarding possible public works projects in persistent labor surplus areas of Maryland.

To date we have been able to learn of 23 projects in such areas whose total cost is estimated at approximately $92,590,000. It is estimated that total man-hours would exceed 15,600,000.

The single most expensive project would be the relocation of U.S. Route 40 as a 4-lane highway for a distance of 112 miles from Hancock, Md., to Washington County, Pa. This would traverse five labor surplus counties. The estimated construction cost for the entire highway, exclusive of right-of-way acquisition, is $84,400,000 providing an estimated 15,275,000 man-hours of work.

The most critical Allegany County project is the construction of a new Pinto Bridge and improvement of the road from the bridge to U.S. 220. The existing bridge is wholly inadequate for the movement of employees to and from the Allegany Ballistics Laboratory and efficient delivery of some materials

to the plant. The estimated cost for this project is $1 million involving 100,000 man-hours.

There are at least four projects in Washington County including the proposed North-East Highway at a cost of $400,000 and 75,000 man-hours. A new water transmission main from Williamsport to Hagerstown would cost $1,450,000. There is no estimate of the number of man-hours. A project involving sewer system extensions in Hagerstown and other Washington County towns would cost $3,500,000. Again there is no estimate of man-hours. Sewer and water main extensions and highway improvements to a proposed industrial park would cost $670,000. The number of man-hours is unknown at this time. The total cost of these Washington County projects is $6,020,000. Man-hours were computed for only one of the four projects; i.e., 75,000 man-hours.

Seventeen projects for the city of Cambridge in Dorchester County were proposed and a tabulation is enclosed. The total cost is $1,070,000 involving 196,800 man-hours.

We are also endeavoring to uncover other appropriate projects and will forward details next week.

I hope this information will be useful and please wire or phone if additional details are required.

Cordially,

ROBERT M. SPARKS,
Chief, Business and Industrial Development.

City of Cambridge, Md.—List of projects which could be completed in 27 months

No. and name of project	Approximate cost	Approximate labor-hours
1. Improvements to Race St	$19,000	4,000
2. Streets and utilities, Plaza Park, pt 1	18,500	4,000
3. Improvements to Maryland Ave	12,000	3,200
4. Extension of Goodwill Ave	13,500	3,500
5. Streets and utilities, Parkside subdivision	33,000	6,000
6. Sewage pumping station, Stone Boundary development	20,000	3,800
7. Bozarth Farms area, drainage	33,000	6,000
8. Improvements to sewage system, Jimson Rd	33,000	6,000
9. Repair shop and garage, public works department	9,000	2,400
10. Sewer, storm water separation, Fairmount Ave	70,000	12,000
11. Improvements to Leonards Lane	80,000	14,000
12. Drainage improvements, Dorchester Ave	24,000	4,300
13. Drainage improvements, Phillips Ave, Robbins St	30,000	5,400
14. Sludge disposal units, sewage treatment plant	200,000	40,000
15. Improvements to water distribution system	340,000	58,000
16. Woods Rd. to wire cloth intercepting sewer	100,000	18,000
17. New 1,000,000-gallon-per-day well	35,000	6,200
Total	1,070,000	196,800

STATE OF ALABAMA,
DEPARTMENT OF INDUSTRIAL RELATIONS,
Montgomery, April 23, 1962.

Hon. ERNEST GRUENING,
Senate Office Building,
Washington, D.C.

DEAR SENATOR GRUENING: At the request of Governor Patterson, I am pleased to furnish the information requested in your telegram of April 18, 1962, regarding emergency public works which might be completed in Alabama in 27 months.

Both the State highway department and the State conservation department, which would be largely responsible for emergency public works, made estimates and plans some time ago. Engineering has been completed and it is believed all projects could be commenced within 6 months.

The following estimates, in broad categories, cover proposed projects in those areas declared economically depressed:

County roads and bridges	$3,500,000
State highways	8,000,000
Interstate highways	20,000,000
Reforestation, water, and wildlife conservation, State parks, fire control	19,000,000
Total	50,500,000

Man-hours are estimated as:	
Highway and roads	3,000,000
Conservation projects	6,000,000
Total	9,000,000

The Governor is in agreement that the suggested authorization would be very inadequate, particularly, if such funds are allocated to the States on the usual pro rata basis.

Sincerely yours,

RALPH R. WILLIAMS,
Director of Industrial Relations.

STATE OF WEST VIRGINIA,
Charleston, May 3, 1962.

Hon. ERNEST GRUENING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRUENING: This will acknowledge receipt of your telegram of April 18, 1962, concerning proposed public works projects in West Virginia.

I would first like to inform you of the situation with regard to public works projects in West Virginia and to give you some information relative to specific projects which could be accomplished under the proposed program.

At the present time, the State of West Virginia has a public works program based on the aid to dependent children of the unemployed program. We have elected to participate in this program with a stipulation that each recipient who receives assistance will work for that assistance. As of March 30, 12,600 men were employed under this program. As you know, this program is financed by both the Federal and State Governments on a matching basis, the State paying 30 percent of the cost and the Federal Government paying 70 percent.

One shortcoming of this program is that only individuals who are married with dependent children qualify. No employment is made available under this program for individuals who are not married or individuals who are married and have no children or whose children are grown.

Three million dollars in State funds have been appropriated for the coming fiscal year for emergency employment. I may, as chief executive, use these funds to match any Federal funds which may become available for the relief of unemployment. This, of course, means that should the aid to dependent children of the unemployed program be continued at the Federal level, these funds may be used for participation in that program.

It is my understanding that the public works plan proposed by President Kennedy will make Federal money available to various State and local governmental units on a 50–50 matching basis. I would like to strongly urge that consideration be given to a more favorable matching ratio in favor of State and local governments.

A program with a 90-percent Federal, 10-percent State matching ratio would provide employment for approximately 7,000 to 12,000 persons. As only $3 million are available in State funds for matching purposes, a 50–50 matching ratio would only provide employment for 1,500 to 2,400 persons. These figures assume expenditures for material and equipment of 20 to 50 percent.

Enclosed you will find proposed projects from our State department of natural resources and from our State road commission. I would like to emphasize that these projects are only a sample of those projects which can be undertaken and completed within 27 months under this program and which would qualify under the rules and regulations of such program. It is anticipated that many projects at the community level, both county and municipal, would be submitted for accomplishment.

Again let me express my desire that Federal money be made available at less cost to the States.

I sincerely hope that this information meets your needs and that you will give every consideration possible to the suggestions which I have outlined. If I may assist you in any way or provide any additional information, do not hesitate to contact me at any time.

Yours truly,

W. W. BARRON,
Governor.

STATE OF HAWAII,
Honolulu, May 2, 1962.

The Honorable ERNEST GRUENING,
Senator from Alaska,
Senate Office Building,
Washington, D.C.

DEAR SENATOR GRUENING: This is in reply to your recent cablegram wherein you requested information on public works projects which could be completed during the next 27 months in our economically distressed area (Hawaii County). The attached tabulation gives information on gross construction costs by major types of functions and the estimated number of man-hours needed to complete the projects. These represent projects which are currently authorized or those for which authorization begins on July 1, 1962, for the new fiscal year. It is estimated that all of these will be completed during the 27-month time period you cited.

I have not seen a copy of the proposed emergency public works bill. Hence, it is not possible to say if all projects included in this tabulation would be eligible for financial assistance. As you know, highways and airports now receive Federal grants. Perhaps these projects would not be eligible for further aid. It would also be of value to know if such financial assistance would be in the form of interest-free loans or grants. The mechanics of the proposed bill may affect an area's willingness to participate in the program.

Hawaii's public works program for the coming fiscal year is the largest in our history. Part of the reason for this scale of State public works is to stabilize our employment situation. However, all of us recognize that public works construction alone will not solve our Nation's unemployment problem. Increased public works construction is only one tool of many that must be utilized to spur the growth of our economy. The Area Redevelopment Act and the program of retraining unemployed persons are examples of other actions that will help. Some areas will continue to suffer chronic unemployment until new economic activities are introduced. The private sector of the Nation's economy must maintain a vigorous growth if public efforts to solve unemployment are to be successful. Thus, any public works program should be accompanied by vigorous efforts to encourage and promote increased employment through new permanent job opportunities.

I hope this provides you with the information you need. However, if I can be of further assistance, please let me know.

Sincerely,

WILLIAM F. QUINN,
Governor of Hawaii.

Authorized State public works located in economically distressed areas of the State of Hawaii (Hawaii County only)

I. Public works division (miscellaneous public buildings and the State's share of a sewage treatment plant):	
(a) Estimated construction costs	$1,351,412
(b) Estimated man-hours of work	122,184
II. Airports division:	
(a) Estimated construction costs	$3,500,000
(b) Estimated man-hours of work	320,000
III. Harbors division:	
(a) Estimated construction costs	$3,855,000
(b) Estimated man-hours of work	617,000
IV. Highways division:	
(a) Estimated construction costs	$14,427,500
(b) Estimated man-hours of work	1,978,000
V. Land and natural resources department (land development, parks, water development, forestry, fish, and game):	
(a) Estimated construction costs	$978,000
(b) Estimated man-hours of work	136,500
Total estimated construction costs	$24,111,912
Total estimated man-hours of work	3,173,684

EXHIBIT IV

PRESS CONFERENCE OF HON. WILLIAM L. BATT, JR., ADMINISTRATOR, AREA REDEVELOPMENT ADMINISTRATION

Mr. BATT. Now in terms of numbers the area redevelopment areas comprise about 1,000 counties in the United States, and in terms of numbers again the blue areas or the areas that are in only for public works comprise only 100. But these are much bigger cities, by and large. There are about the same number in the blue areas as there are in all the red areas.

The arithmetic works out a little something like this—let me see if I can recall it. In the areas taken together, these red areas and the blue areas, we have about a third of the country's population, about a third of the country's labor force, and over half of the country's unemployment. They are, of course, the areas of longtime labor surplus, the ones we work with, the coal towns, the textile towns, the iron towns, the Great Lakes, the lumber towns, Pacific Northwest, Indian reservations in the Southwest, and the cotton textile towns in the Southeast. You know the economics of them.

Now over 2,900 projects representing $361 million of Federal funds and an estimated $125 million more of State and local funds—because you remember the communities have got to match this 50–50—$361 million of Federal funds and an estimated $125 million more of State and local funds are in various stages. Some are actually underway, some are being planned, some are just in the process of approval.

Approximately 580,000 man-months of direct employment will be generated by all these projects with the same number of man-months of additional employment based on the normal ratio of direct to indirect labor on public works projects.

Now of the total, Federal agencies are using $110 million of this total $361 million for direct Federal projects for such purposes as conservation work in our national forests and wildlife ranges, medical and sanitary facilities on Indian reservations, modernization and extension of small post offices, and other authorized public works.

That is about 30 percent of the funds that have been allocated to Federal agencies who do their own construction substantially. That, of course, is 100 percent Federal.

The agencies we are talking about are the Forest Service, the Agriculture Department, the Bureau of Indian Affairs of Interior, several others in Interior; Bureau of Reclamation, Corps of Engineers.

The largest, Paul, are Interior and Agriculture?

Mr. SOUTHWICK. Yes.

Mr. BATT. Now the larger share, the 70-percent share, $251 million, has been earmarked for State and local projects. You see, the Congress said to give priority to the stuff that comes out of the communities, and this has been committed for waterworks and water pollution control, for sewers, streets, hospitals, libraries, for police and fire stations, for public buildings, and many other types of needed community facilities for which communities put up matching funds.

About 50 percent of all the applications to CFA over here, Community Facilities Administration, are for sewer and water lines. I personally never realized how many communities didn't have any sewerlines or any waterlines.

The response from local governments has been gratifyingly quick, demonstrating the strong desire of local communities to alleviate unemployment, and to get these public works built.

Our latest available figures, at the end of January, disclosed the following applications, expected to meet program standards, are on hand: Over in HHFA, CFA, $274 million. This is the backlog. This we haven't gotten to yet. HEW—and this is administered by the Public Health Service, waste treatment works $218 million, and hospitals $127 million, for a total backlog of $1,069 million.

And let me say parenthetically—this isn't in the printed statement—they are coming in at the rate of about $300 million every month.

Is that a fair statement, Paul?

The President is sending to Congress, sent to Congress yesterday a supplemental appropriation of $500 million to carry on this program. This sum was forecast in the 1964 budget recently transmitted to the Congress, and will exhaust the $900 million authorized in the accelerated Public Works Act.

It is clear, therefore, that there are already on hand more than enough applications for Federal and local projects to use up the funds authorized by the Congress for this program. Accordingly, the Housing and Home Finance Agency and the Department of Health, Education, and Welfare are suspending the accelerated public works program except for those especially hard-hit areas which have already been allowed matching ratios in excess of 50 percent. This is a relative handful of areas, about 20 percent of the total, where the unemployment is so severe that Congress directed us to provide matching ratios higher than 50 percent, going up to a total of 75 percent.

While applications from all areas will continue to be accepted and dated as to time of receipt, they will receive no further processing unless they are located in the hardest hit areas referred to previously.

Status of APW projects approved, by type of project, as of Dec. 15, 1962

[Dollars in thousands]

State	Number of projects	Estimated APW cost	Estimated man-months on-site employment
Alabama	41	$4,254	7,028
Alaska	16	2,699	1,928
Arizona	15	2,935	4,192
Arkansas	60	1,274	2,542
California	62	6,916	8,732
Colorado	16	1,630	2,362
Connecticut	19	1,602	2,412
Delaware	2	93	223
Florida	25	3,099	5,407
Georgia	36	4,012	4,981
Hawaii	1	134	1,752
Idaho	37	2,367	2,645
Illinois	49	3,234	5,331
Indiana	25	1,758	3,413
Kansas	3	115	193
Kentucky	61	4,629	8,486
Louisiana	29	6,126	14,055
Maine	1	360	432
Maryland	3	158	583
Massachusetts	15	4,036	5,946
Michigan	111	15,814	20,952
Minnesota	41	4,196	6,230
Mississippi	27	2,302	5,611
Missouri	65	4,254	4,784
Montana	31	1,616	2,573
Nebraska	5	596	827
Nevada	2	200	276
New Hampshire	3	420	528
New Jersey	20	8,632	13,869
New Mexico	57	3,347	4,256
New York	28	6,284	7,130
North Carolina	46	3,032	5,370
North Dakota	2	275	528
Ohio	32	6,097	8,816
Oklahoma	23	3,430	7,944
Oregon	36	3,357	4,220
Pennsylvania	80	15,829	20,757
Rhode Island	6	2,786	2,196
South Carolina	20	1,400	1,524
South Dakota	3	650	1,104
Tennessee	32	5,538	14,112
Texas	27	2,627	4,808
Utah	34	1,211	1,746
Vermont	1	366	878
Virginia	11	100	209
Washington	46	4,144	3,281
West Virginia	56	6,017	5,365
Wisconsin	37	1,110	2,812
Wyoming	8	384	382
Puerto Rico	10	721	607
Grand total	1,416	158,166	236,338

Status of APW projects approved, by agency and bureau, as of Dec. 15, 1962

[Dollars in thousands]

Agency and bureau	Number of projects	Estimated APW cost	Estimated man-months on-site employment
Agriculture: Forest Service	741	$14,961	21,192
Army: Corps of Engineers	55	9,392	10,304
Commerce: Bureau of Public Roads	34	8,141	5,436
Health, Education, and Welfare: Public Health Service	181	40,004	56,951
Housing and Home Finance Agency: Community Facilities Administration	352	72,909	118,383
Interior:			
Bureau of Land Management	11	1,972	2,784
Bureau of Indian Affairs	19	5,701	9,984
National Park Service	10	1,736	5,310
Commercial Fisheries	1	380	540
Sport Fisheries and Wildlife	12	2,910	5,454
Total, Interior	53	12,699	24,072
Grand total	1,416	158,166	236,338

Status of APW projects approved, by type of area, as of Dec. 15, 1962

[Dollars in thousands]

Area	Number of projects	Estimated APW cost	Estimated man-months onsite employment
5(a)	340	$51,088	67,599
5(b)	809	49,771	76,607
5(br)	20	5,310	9,296
LS	247	51,997	82,836
Grand total	1,416	158,166	236,338

Status of APW projects approved by States as of Dec. 15, 1962

[Dollars in thousands]

Type	Number of projects	Estimated APW cost	Estimated man-months onsite employment
Construction and improvements:			
Hospital and health facilities	72	$21,639	31,598
Administrative building	47	12,627	19,774
All other buildings	44	5,340	6,914
Road and streets	261	20,965	24,171
Airports	5	1,374	2,448
Water, sewage, facilities and other utilities	192	41,651	70,416
Waste treatment works	113	19,503	27,562
Recreational facilities	50	9,337	15,667
Water resources projects	15	3,355	3,626
Fish and wildlife facilities	9	2,180	4,662
All other construction	234	7,766	9,010
Repairs: All types of repairs	170	7,100	9,809
Conservation measures: All types of conservation	204	5,329	10,681
Grand total	1,416	158,166	236,338

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. SPARKMAN. Mr. President, I ask unanimous consent that when the Senate concludes its session for today, it adjourn until 11 a.m. tomorrow.

The PRESIDING OFFICER (Mr. EDMONDSON in the chair). Without objection, it is so ordered.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Mr. SPARKMAN. Mr. President, as the debate on this measure begins——

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield, if it is understood that in doing so, he will not lose his right to the floor?

Mr. SPARKMAN. I yield, with that understanding.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, before the debate on the pending measure—the Mass Transportation Act of 1963—begins, I should like to make a few observations.

This is not the first time the Senate has been called upon to consider legislation to help urban areas with their transit needs. Senators will recall that in 1960, a mass transportation bill, that is, S. 3278, was considered and passed by the Senate. No action, however, was taken on that bill by the House of Representatives.

In 1961, provision was made on a temporary basis, as a part of omnibus housing legislation—that is, Public Law 87-70—for Federal assistance to communities to help solve mass transportation problems. It was understood at the time that the loan and demonstration grant funds provided in the 1961 legislation would be for only a temporary period, pending further study by the administration, for the purpose of preparing a plan for a long-range and comprehensive federally assisted urban mass transportation program.

The study was completed in late December 1961; and, based upon its findings, recommendations were drawn by the administration and were presented to the Congress by the President on April 5, 1962. Subsequently, the Senate Banking and Currency Committee considered pending mass transportation legislation, and favorably reported a committee bill, S. 3615. Senators will recall that this measure was then referred to the Commerce Committee. S. 3615 was reported by that committee without comment. No further action was taken on S. 3615 during the 2d session of the 87th Congress.

During the closing days of the 2d session of the 87th Congress, Congress did, however, extend, by Senate Joint Resolution 235, the temporary program for a 6-month period. At present, this program will expire on June 30, 1963.

This is the fourth year that we have been called upon to provide a means of meeting mass transportation needs of our people. During these 4 years, more than 35 days have been devoted to receiving testimony on mass transportation legislation. The testimony on this subject received from witnesses who appeared before the Senate committees fills nearly 3,000 pages of the hearings. Members of the Banking and Currency Committee alone have spent 16 days in executive session, in deliberating on mass transportation legislation.

I point out these statistics in order to show the vast amount of time and the deliberate consideration which have been given by the Senate to mass transportation legislation.

Mr. President, it is time that we face up to the question of whether Congress intends to take any action to help serve the transportation needs of our country. There is no doubt that the mass transportation industry in this Nation faces a real crisis; and the longer we delay in recognizing this fact, the greater will be the cost to our people, our towns and cities, and to the entire economy of the Nation.

I should like to use two examples to illustrate my point. First, many private companies are finding it extremely difficult to meet the operating expenses of existing facilities, and they are finding it almost prohibitive to finance new capital improvements required in order to meet expansion requirements. Caught in the squeeze of rising capital and operating costs and declining patronage, many private companies must resort to raising fares, trimming service, and deferred maintenance—which simply drives away more riders and accelerates the downward spiral. These declines in riding, with their resulting serious financial impact, have caused the abandonment of many transit companies in recent years. One regrettable consequence of this trend is that many communities have abandoned mass transit rights-of-way. It is possible that if the Congress had acted to establish a permanent mass transportation system in 1960, 1961, or 1962, many of these rights-of-way might have been saved.

Today, if these communities desire to reestablish a local mass transportation system, we can be assured that rights-of-way will be redeemed or replaced only at very heavy cost.

Second, during the mass transportation hearings of 1962, the committee was informed by the American Transit Association about the number of transit companies abandoned since January 1, 1954. Again, during the 1963 hearings, the association's witness presented the same information, but of course, updated by 10 months. During this 10-month period, 20 transit companies were abandoned. The witness further stated that many companies presently in existence are on the verge of being abandoned.

Mr. President, I ask unanimous consent to have printed in the RECORD the table by the American Transit Association which supports my statement.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary, by States, showing the number of U.S. transit companies sold or abandoned from Jan. 1, 1954, to Feb. 1, 1963

State	Number of companies sold	Number of companies abandoned	Total sales and abandonments
Alabama	1	0	1
Arizona	3	0	3
Arkansas	3	8	11
California	10	11	21
Colorado	4	7	11
Connecticut	5	3	8
Delaware	1	0	1
District of Columbia	2	0	2
Florida	10	5	15
Georgia	5	5	10
Idaho	1	3	4
Illinois	5	14	19
Indiana	9	14	23
Iowa	4	3	7
Kansas	3	4	7
Kentucky	6	2	8
Louisiana	2	0	2

Summary, by States, showing the number of U.S. transit companies sold or abandoned from Jan. 1, 1954, to Feb. 1, 1963—Con.

State	Number of companies sold	Number of companies abandoned	Total sales and abandonments
Maine	2	3	5
Maryland	3	3	6
Massachusetts	7	3	10
Michigan	17	8	25
Minnesota	1	2	3
Mississippi	1	2	3
Missouri	4	2	6
Montana	5	4	9
Nebraska	0	6	6
New Hampshire	2	1	3
New Jersey	5	3	8
New Mexico	2	1	3
New York	21	14	35
North Carolina	7	3	10
North Dakota	1	0	1
Ohio	18	14	32
Oklahoma	3	3	6
Oregon	8	7	15
Pennsylvania	19	7	26
Rhode Island	2	0	2
South Carolina	1	1	2
South Dakota	2	0	2
Tennessee	4	0	4
Texas	10	14	24
Virginia	2	3	5
Washington	8	3	11
West Virginia	1	2	3
Wisconsin	11	4	15
Wyoming	2	2	4
Total	243	194	437

Summary, by years, of the number of U.S. transit companies sold or abandoned from Jan. 1, 1954, to Feb. 1, 1963

	Number of companies sold	Number of companies abandoned	Total sales and abandonments
1954	29	19	48
1955	27	26	53
1956	17	29	46
1957	27	20	47
1958	35	19	54
1959	29	28	57
1960	21	13	34
1961	23	9	32
1962	23	21	44
1963 (to Feb. 1, 1963)	1	1	2
Date not available	11	9	20
Total	243	194	437

Source: American Transit Association.

Mr. SPARKMAN. Of course, it would be foolish to assume that the program proposed by S. 6 would save all the transit systems that are on the brink of abandonment, but each one that is prevented from "going under" will save that many jobs, will keep that many rights-of-way open, and will help to avoid an economic decline in the local area.

The bill reported by the committee, that is, S. 6, is basically the same bill that the Banking and Currency Committee reported to the Senate last year. Last session the committee deliberated mass transportation legislation over a 3½-month period prior to reporting the bill to the Senate. During that period the committee very painstakingly considered all the objections of those who presented their views. I believe the committee, by amending the bill, met the majority of these objections.

For example, during the last session of the Congress, those representing private mass transportation companies expressed grave concern that the legislation did not permit them to participate in the proposed program. Although these representatives were mistaken in their interpretation, and were assured on many occasions that they could participate in the program, the committee very carefully wrote into the bill the so-called private operator amendments. These amendments were retained in S. 6 this year.

In addition, during the last session many voiced concern that the bill would provide assistance for large cities only. Others voiced concern that the bill gave the Administrator broad and unlimited powers. Some said the legislation would provide assistance to uneconomical systems. Others stated that the legislation provided for rail-type transit only, ignoring bus systems, and so on. The committee squarely faced each of these objections and, in my opinion, resolved these matters satisfactorily.

This year, witnesses from labor organizations expressed concern that the proposed legislation would first, promote automation thus causing a loss of jobs; and, second, imperil the rights and privileges of those now employed in existing private transportation companies. Members of the Banking and Currency Committee are just as sensitive to unemployment and the rights and privileges of employees as are any other groups in this body, and the committee was most sympathetic to the plight of those presently engaged in mass transit service. The committee added an amendment to S. 6 in order to help safeguard the rights and privileges of those now employed by transit companies in communities where such projects are assisted or financed under the bill. It is my opinion that this amendment provides ample protection to those who might be affected by this legislation.

Mr. President, like any measure that comes before the Senate, S. 6 does not satisfy every Member nor does it satisfy every individual group who is concerned with mass transportation problems. Quite frankly, I have reservations about some of the provisions of the bill. However, I believe that S. 6, in general, is a sound bill and that it will go a long way toward serving the mass transportation needs of this Nation and our people.

I should like now to explain the major features of the bill.

Very generally, S. 6, as amended by the committee, is designed to establish, in place of the temporary mass transportation program authorized by the Congress in 1961, a long-range Federal program to assist State and local bodies, and agencies thereof, to provide the kind of mass transportation facilities necessary for the orderly growth and development of urban communities. Basically, the bill provides for a program of Federal loans and grants to supplement State and local funds to finance the capital facilities and equipment needed for the extension and improvement of comprehensively planned urban mass transportation systems. These systems could be either publicly or privately operated.

The major features of the bill are as follows:

LONG-RANGE PROGRAM

Federal grants would be provided for mass transportation facilities and equipment, including land and improvements acquired or constructed in advance of use, with strict planning requirements, including the preparation of an area-wide transportation plan as a part of comprehensive planning for the development of the urban area. To the extent that projects cannot be financed from estimated revenues, Federal grants could be made for two-thirds of the remaining cost—"the net project cost." Local grants would be required for the other one-third. Part or all of the Federal and local grant could later be repaid from any surplus revenues.

Federal loans, limited to the amount authorized for mass transportation loans under existing law, would be authorized for projects where loans cannot be obtained privately on reasonable terms, if such loans would make effective mass transportation possible without grant assistance.

EMERGENCY 3-YEAR PROGRAM

For a 3-year period, Federal loans and grants could be made on an emergency basis, with less strict planning requirements but with a one-half rather than two-thirds Federal grant. The remaining one-sixth Federal grant would be available if full planning requirements are met within 3 years from the date of the grant agreement.

FINANCING FOR LONG-RANGE AND EMERGENCY PROGRAMS

Contract authorization would be provided for grants of $500 million over a 3-year period in the following manner: $100 million upon enactment, $200 million on July 1, 1964, and another $200 million on July 1, 1965. The present $50 million loan authority would be retained, but without expiration date.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM

A research, development, and demonstration program would be authorized, to apply to all phases of urban mass transportation, in place of the present demonstration grant program. This program would be financed through the present $25 million demonstration grant authority, plus up to $30 million of the new $500 million grant authority.

RELOCATION PROVISIONS

An adequate relocation program for families displaced by each project would be required; and Federal grants for relocation payments to individuals, business concerns, and nonprofit organizations would be authorized similar to those applicable to the Housing Agency's urban renewal program.

Mr. President, those are the major features of the pending measure. For a more detailed analysis of S. 6, I ask unanimous consent to insert in the RECORD a section-by-section summary of the Mass Transportation Act of 1963.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY OF URBAN MASS TRANSPORTATION ACT OF 1963

Section 1. Title of bill: "Urban Mass Transportation Act of 1963."

Section 2. (a) Findings and (b) purposes.

Section 3. Federal financial assistance:

(a) Eligibility for assistance: Eligible applicants: States and local public bodies and agencies thereof. Applicants must have (1)

the legal, financial, and technical capacity to carry out proposed project, and (2) satisfactory continuing control of use of facilities and equipment; but shall give full consideration to such control being exercised by an existing regulatory agency with respect to private companies.

Eligible projects: Facilities and equipment, acquired, constructed, reconstructed, and improved, for use in mass transportation service in urban areas and in coordinating such services with highway and other transportation in such areas. Federal assistance authorized for advance acquisition of land and improvements provided assurances received for repayment if not put in use in reasonable time.

Eligible facilities and equipment: Any real or personal property including land (but not public highways), buses, and other rolling stock needed for an efficient and coordinated mass transportation system.

(b) Protection of rights of private bus and motor companies: No grant or loan shall be made for a project involving acquisition of facilities or property of private enterprise motor transit systems unless—

(1) Such assistance is essential to the program for a unified coordinated urban transportation system;

(2) The program provides for participation of private mass transportation companies to the maximum extent feasible; and

(3) Just compensation will be paid to such companies for their franchises or property to the extent required by applicable State or local laws.

(c) Loan authorization: Extends for an indefinite period the $50 million Treasury borrowing authority under existing law. Loans are subject to restrictions and limitations as provided by the public facility loan program (a term of 40 years).

Loans would be authorized for projects where private loans cannot be obtained on reasonable terms if such loans would make effective mass transportation possible without grant assistance.

(d) Interest rate formula: Establishes a new rate of interest to be paid by the Administrator to the Secretary of the Treasury for funds with which to make mass transportation loans. Under the new formula the current interest rate to the consumer would be 4⅜ percent.

Section 4. Long-range program:

(a) Planning requirements: Complete preparation of a program for a unified coordinated urban mass transportation system as a part of a comprehensively planned development of the urban area encouraging, to the maximum extent feasible, the participation of private enterprise.

Acquisition of existing systems: Federal assistance only if improvements made to serve better the transportation needs of the community.

Grant formula—Federal share: Two-thirds of net project cost (that portion of project cost that cannot be financed on reasonable terms from revenues).

Local share: One-third of net project cost in cash from sources other than Federal funds. Refund permitted provided a proportionate share is made of Federal share.

(b) Granting authorization: Authorizes Administrator to enter into contracts for grants of up to $100 million upon enactment; an additional $200 million on July 1, 1964; and an additional $200 million on July 1, 1965. Full faith and credit of United States pledged upon contract appropriations for payments authorized.

Section 5. Emergency program:

Eligible facilities and equipment: Same as the items listed in section 3 above, provided, there is an urgent need for their preservation or provision and such items can reasonably be expected to be required for a long-range program.

Federal share: One-half of net project cost (defined same as in section 4(a) above) or two-thirds if conditions of long-range program are met within 3 years after execution of grant contract.

Financing: Grants or loans may be used to finance emergency program. Funds would come from the same authorizations described in section 4 above.

Expiration date: No emergency project may be entered into on or after July 1, 1966.

Section 6. Research, development, and demonstration programs:

(a) Eligibility: The Administrator is authorized to undertake development and demonstration projects for all phases of urban mass transportation which will result in (1) the improvement of mass transportation service, or (2) in meeting total transportation needs at minimum costs.

(b) Financing: The unobligated balance of the present $25 million demonstration grant authority would be made available to finance such projects, plus up to $30 million of the new $500 million grant authority under section 4 above.

Section 7. Relocation requirements and payments:

(a) Relocation program: Requires adequate relocation for families displaced by mass transportation programs as a prerequisite for financial assistance.

(b) Relocation payments: Requires payment of not to exceed $200 to families, or $3,000 (or if greater, total certified actual moving expense) to businesses or nonprofit organizations for relocation expenses. Federal Government to reimburse applicant for full amount of relocation expenses.

Section 8. Coordination of Federal assistance for highways and mass transportation facilities:

Requires Administrator of HHFA and Secretary of Commerce to consult, cooperate, and exchange information on all urban transportation policies and programs.

Section 9. General provisions:

(a) Gives HHFA Administrator the necessary functions, powers, and duties to carry out the purposes of the bill.

(b) Empowers the Administrator and the Comptroller General or their representatives to have access to and audit the books and records of all pertinent contracting parties.

(c) Defines certain terms applicable to the act.

(d) Authorizes funds to be appropriated for administrative expenses of program and funds appropriated for other than administrative expenses shall remain available until expended.

(e) Provides a grant limitation of $12.5 million to any State until June 30, 1964. The limit would then increase to $37.5 million after June 30, 1964, and to $62.5 million after June 30, 1965, except that the limit for any State could be increased at any time by $5 million, if these specific increases do not exceed $50 million. Further provides that in case a project is undertaken in two or more States, in accordance with a compact or other agreement, the Administrator may, subject to the overall limits set forth above, allocate any portion of the grant for the project to any one or more of such States.

(f) Requires the President to submit annual reports to the Congress which shall include among other things (1) to whom financial assistance has been extended, (2) the purpose for which the assistance is to be utilized, (3) amounts involved, and (4) such other information, comments, and recommendations as the Administrator deems appropriate.

Section 10. Labor Standards:

(a) Makes applicable the prevailing wage-scale provisions of the Davis-Bacon Act.

(b) Gives the Secretary of Labor authority to issue regulations and provide for enforcement of labor standards.

(c) Requires as a condition of Federal assistance that fair and equitable arrangements be made to protect the rights of employees (including collective bargaining rights, pension rights, priority of employment privileges, retraining programs, and protection against worsening of their employment position).

Section 11. Air-pollution control:

Provides that Administrator, in approving grants and loans, shall take into consideration whether facilities and equipment will be designed or equipped to prevent and control air pollution in accordance with criteria established by the Secretary of Health, Education, and Welfare.

Mr. SPARKMAN. I reiterate that S. 6 is a good bill and that it will help to serve the transit needs of our people. I am hopeful that the measure will receive favorable consideration by the Senate, by the House of Representatives, and will be signed into law by the President.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. LAUSCHE. For the purpose of making the record clear as to the purport of the bill, I should like to ask the Senator a few questions.

Mr. SPARKMAN. Very well.

Mr. LAUSCHE. Under the terms of the bill, is it a fact that every community in the United States with a plan for the development of mass transportation, having a population of 2,500 or more, would be eligible to receive grants with which to buy buses, rolling equipment, parking lots, buildings, and other facilities?

Mr. SPARKMAN. Technically, the answer is "Yes." I invite the Senator's attention to the language on page 15 of S. 6:

> The term "urban area" means any area that includes a municipality or other built-up place which is appropriate, in the judgment of the Administrator, for a public transportation system to serve commuters or others in the locality taking into consideration the local patterns and trends of urban growth.

Mr. President, this is a matter on which a good deal of time was spent in discussion in the committee. I did not wish to see a bill the benefits of which would be limited to half a dozen, or even a dozen, large cities.

Testimony was presented before our committee to the effect that a great many smaller cities have lost their transit systems. Certainly such smaller cities and towns should be eligible for assistance.

An urban area is defined by the Bureau of the Census to be any built-up place with a population of 2,500 or more. That is the reason why I say that technically the answer to the Senator's question is "Yes." Practically, I do not believe it is proper to assume that any such program as that would be carried out.

We would make these areas eligible, but we would place the discretion in the Administrator to handle the program in such a way as to solve mass transit problems.

Mr. LAUSCHE. The Administrator of HHFA would have the discretion to determine to which community grants would be made, within the definition of

the term "urban area," as read by the Senator from Alabama.

Mr. SPARKMAN. The Senator is correct.

Mr. LAUSCHE. That language is—

The term area "urban area" means any area that includes a municipality—

So municipalities would be entitled to grants—

or other built-up place which is appropriate, in the judgment of the Administrator.

I ask the Senator what limitations are provided anywhere in the bill with respect to the Administrator exercising his discretion concerning the community to which he would grant the money.

Mr. SPARKMAN. I do not see how Congress could be expected to spell out the communities that are to be eligible under the act. Discretion for administering the program must be left with somebody. We felt in this instance that it was best to leave the discretion with the person who was to administer the act.

There could be a relatively small city a few miles from a big one—or a place where people live a good many miles from their area of work—where perhaps a mass transit system was needed to tie the communities together; that is, to give the people commuter service. Should such smaller areas be ruled out arbitrarily?

If such situations should arise, we tried to provide broad enough authority to link up communities of this nature. Under the provisions of S. 6, the Administrator has discretion to do so. I do not see how we could grant assistance more fairly.

Mr. LAUSCHE. The answer is that there are no limitations on the Administrator.

Mr. SPARKMAN. The good judgment and discretion of the Administrator would be exercised within the terms of the act as a whole.

Mr. LAUSCHE. Is that not a dangerous method of writing laws, to say that the Administrator may do whatever he wishes?

Mr. SPARKMAN. I wonder how the Senator from Ohio would do it. Would the Senator designate the cities of New York, Philadelphia, Chicago, San Francisco, Los Angeles, St. Louis, Cleveland, and a few others to participate in the urban transit program, leaving out the smaller cities, which, perhaps, are as badly in need as are the big cities?

Mr. LAUSCHE. I am not disputing that aspect of it. My position is that it is a hazardous thing to allow the changing minds of changing Administrators to determine to whom aid shall or shall not be given.

The Senator from Alabama asked me a question about how I would write the language. It is my understanding that New York, Boston, Philadelphia, and Newark are begging for the gift. So to procure the support of the small communities in the Nation the language was so written that they would be tempted to support it in the belief that they would be given aid.

I ask the Senator from Alabama how many municipalities there are in the United States?

Mr. SPARKMAN. I cannot say, because I do not know.

Mr. LAUSCHE. I understand there are 15,000.

Mr. SPARKMAN. Certainly I am not willing to admit that the language of the bill was either written or changed in order to get the smaller communities to come in. They were in first. They were in ahead of time.

For my own part, I insisted, and others on the committee insisted, that if we were to have a bill at all, smaller cities and communities were to be eligible to participate in the program.

The Senator might be interested to know that during the time the experimental program on the statute books—for 2 years—a total of 227 cities in 44 States, the District of Columbia and Puerto Rico have made inquiries about the mass transportation demonstration and loan programs enacted as a part of the 1961 Omnibus Housing Act. The only States from which inquiries have not been received are Delaware, North Dakota, South Carolina, South Dakota, Utah and Wyoming.

There is a great deal of need for mass transportation systems throughout the country as has been indicated by the inquiries made.

Mr. LAUSCHE. I appreciate those statistics, but I wish to point out that in the hearings which I attended of the Committee on Banking and Currency the question was thrown to me:

Do you know the city of Findlay? The city of Upper Arlington? Is it not a fact they have no mass transportation at all?

It is a fact that they do not have it, but they do not need it, and they do not want it.

I should like to do a little questioning on the matter of demonstration grants. Does the Senator from Alabama know which demonstrations have been completed?

Mr. SPARKMAN. I am sorry; I did not hear the question.

Mr. LAUSCHE. Tests are being made throughout the country to determine how the transportation problem will be solved.

Mr. SPARKMAN. Yes. Demonstration grants are made.

Mr. LAUSCHE. Demonstration grants.

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. I call the Senator's attention to the demonstration grants in Massachusetts. The Federal Government put up $3,600,000 and the Massachusetts Transit Authority put up $1,800,000 to ascertain how they could get the people to give up using their automobiles and begin using railroads. So a contract was made with the Boston & Maine Railroad, under which the railroad was paid $2,200,000 in 1 year. The Boston & Maine Railroad reduced its fare from $1.99 to $1.10, and increased the frequency of service. The results showed that the Boston & Maine Railroad picked up 7,000 passengers a day, supposedly taking them off the highways and out of their automobiles.

My question is: Does the Senator from Alabama know how much taxpayers' money goes each day to the Boston & Maine Railroad to pick up those 7,000 passengers from the highways?

Mr. SPARKMAN. No.

Mr. LAUSCHE. The taxpayers are paying $7,000 a day to the Boston & Maine, and they are being paid out of this program. My query is, Where has the demonstration been made showing that the program proposed in the bill will work out as contemplated? Where has a demonstration been completed?

Mr. SPARKMAN. There have been several demonstrations programs, as is shown commencing on page 9 of the report which accompanies the bill. We discuss some of the demonstrations programs on that page. For instance, at the bottom of page 9, reference is made to the demonstration program in Detroit. We also refer to one in Massachusetts and another one in Philadelphia. Three specific examples are set out.

Let me say to the Senator from Ohio that I think we must do more than merely consider what may happen within a matter of days or weeks, or even months. I think everyone knows that traffic on the highways is becoming so heavy that the highways simply cannot carry it.

The Senator has spoken of using taxpayers' money on railroads in an attempt to work out the transportation problem. I was wondering how much of the taxpayers' money is spent on an interstate highway running parallel to a railroad, or, if not parallel to the railroad, perhaps through another section of the State. We are spending enormous sums of money in this area. The Senator from Ohio knows that today, even with all the new highway construction, our roads and highways are becoming overloaded to an alarming extent.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. LAUSCHE. May I continue?

Mr. SPARKMAN. Let me yield to the Senator from New Jersey first.

Mr. WILLIAMS of New Jersey. This is germane to the discussion of the Massachusetts reference. It was just about a year ago that the State of Massachusetts announced that on an 11-mile stretch of highway, from U.S. 128 into the center of Boston, an expenditure of $118 million had been made.

Mr. SPARKMAN. How much of that was Federal funds?

Mr. WILLIAMS of New Jersey. This is a State project, but, of course, we all know the extent of Federal participation in the Interstate Highway System, a program of $41 billion.

Mr. SPARKMAN. The answer is 90 percent.

Mr. WILLIAMS of New Jersey. It is on a 90–10 basis, 90 percent Federal money, 10 percent local money; and $20 billion of that $41 billion is being spent in urban areas and the rest all over the country.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. Picking up where the Senator from Alabama left off, I submit no tests have been made anywhere that demonstrate people will be induced not to use their automobiles but to use railroads, buses, and other rapid transit.

Tests are now being made in Massachusetts and in Memphis, Tenn. The Detroit test was negligible. It was a $200,000 sort of study. One test was completed on the monorail in Seattle. That was a $10,000 test.

The question is: Who can, by demonstration, point out that I, or the Senator from Alabama [Mr. SPARKMAN], or the Senator from Texas [Mr. TOWER], for example, will be induced to give up using automobiles and instead ride on buses or railroads to go in or out of town? I would like to have any one of the proponents point out one study that has been completed.

Mr. SPARKMAN. I pointed out that studies are listed on page 9 of the report to accompany S. 6. I do not know of any projects that have been completed to the extent questioned by the Senator. I do not know whether the Senator from New Jersey [Mr. WILLIAMS] knows of such instances or not.

But, are we going to wait before we make efforts to meet these problems until we know the answer to this question.

Mr. LAUSCHE. I think we ought to.

Mr. SPARKMAN. If so, I do not see how we are ever going to keep up with the needs of a throbbing, growing, more prosperous country, the people of which are moving from place to place, as Americans seem to like to do.

Mr. LAUSCHE. Will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. I have read the studies that have been made——

Mr. SPARKMAN. Will the Senator let me interrupt?

Mr. LAUSCHE. Yes.

Mr. SPARKMAN. I am somewhat puzzled by the questions of the Senator from Ohio regarding the timeliness of this legislation, because, he, himself, is the author of a mass transportation bill, S. 807. I have it before me.

If I may revert to the definition of urban areas which might be eligible by a mass transportation program, then I might say that the provisions in Senate bill 6 are certainly not as broad as those in S. 807. The Senator has this language in his bill:

> The term "local public or private transit agency" means—
>
> (A) any State, or any county, city, political subdivision of a State, or public corporation created by State law, which is authorized by State law to acquire, construct, complete, develop, own, operate, and maintain a mass rapid transit system.

Certainly that definition is much broader than is the one contained in the pending bill. The bill of the Senator from Ohio contemplates assistance for mass transportation in a way which indicates that he apparently feels a need for a program. There would be no greater need for help under the plan provided in his bill than there is in our bill.

Mr. LAUSCHE. I wish to comment on that statement. My bill contemplates guaranteeing the loans——

Mr. SPARKMAN. Of course, the Senator knows——

Mr. LAUSCHE. May I complete my statement?

Mr. SPARKMAN. The Senator knows that an amendment will be offered which we propose to accept, that would provide for the guarantee of bonds.

Mr. LAUSCHE. My bill contemplates an authorization of a $50 million revolving fund, which is to be used to guarantee borrowings made by local transit companies; and before a guarantee can be given, the local transit company must agree to charge rates of fares adequate to produce revenues to (a) pay the operating expenses; (b) pay the interest on the borrowing; (c) pay the principal.

Fifty million dollars is involved in my bill on a guaranteed loan basis. However, the bill of the administration and the Senator from New Jersey contemplates a $500 million gift program. I cannot see how the proponents of Senate bill 6 can argue that my bill is more extravagant. It can be argued that under my bill private companies and municipal transit systems and country transit systems can be beneficiaries. I submit, however, that the bill of the administration and the Senator from New Jersey provides that no one can get this money for nothing except governmentally operated plants. Private enterprise can get it if it goes through the governmental plant and applies to the Federal Government.

The point I wish to make is that the pending bill is the machinery to drive private transit systems out of existence. They will only be able to get help if they come through a public body. The public body will have the private systems by the throat. They will be able to say to them, "You will get help if you will comply with what we want."

On that score, that broadness of my bill, I respectfully submit, is intended to stop the Fabianists from pushing the private enterprise system of mass transportation into public, nationalized operations. I wish the Senator would comment on that statement, because I believe it is pertinent.

Mr. SPARKMAN. Let me say to the Senator from Ohio that I did not say his bill was more extravagant. I did not use that term. I said that, so far as the areas to which it would apply are concerned, the Senator's bill was much broader than S. 6, because the Senator from Ohio's bill applies to any incorporated area.

Mr. LAUSCHE. That is correct.

Mr. SPARKMAN. Where the State would authorize the operation.

Mr. LAUSCHE. I concur.

Mr. SPARKMAN. I admit that the Senator's bill is one of guaranteeing. As I said, as a matter of fact, the Commerce Committee, of which the Senator from Ohio is a member, will offer an amendment to provide for that method of financing in this measure. I believe it is a method very close to what the Senator's bill provides.

Mr. LAUSCHE. Will the Senator explain the amendments that were made, under which the Federal Government will direct the transit systems on collective bargaining, and other labor situations?

Mr. SPARKMAN. First let me get back to the private enterprise situation. As a matter of fact, the Senator will find provisions in S. 6 which show our concern for private enterprise. In my statement I set out that last year we wrote in provisions, and it was largely at my insistence that those provisions were carried forward in the bill this year, to take care of privately owned mass transportation companies. If the Senator will look at page 5 of S. 6, he will find this language set out.

Mr. LAUSCHE. What line is that?

Mr. SPARKMAN. Page 5, line 10. I am commencing in the middle of a sentence:

> such program, to the maximum extent feasible, provides for the participation of private mass transportation companies.

Then on page 7, at the top of the page, starting at the end of line 1:

> Such a program shall encourage, to the maximum extent feasible, the participation of private enterprise.

Now let me turn to the other matter, with respect to the public body, which the Senator has mentioned. I am sure the Senator will realize that some agency must have supervision—someone must be responsible for the comprehensive planning. As a matter of fact, all transit companies are supervised in one way or another. There is always some kind of regulatory body in the picture. Let us take the situation right here in the District of Columbia. We have set up an agency in the Federal Government, which lends assistance to and supervises the mass transportation system of this urban area. I do not know the administrative procedure of how loans or grants would be handled for the District under the bill, but certainly if the transit system in the metropolitan Washington area applied for assistance under S. 6, the application would be eligible. I do not know how the application would be made, or how it would be handled. However, there would have to be some agency to supervise and to oversee the mass transportation program which evolved. That is all we provide in the bill. We are not trying to socialize industry or force private industry out. As a matter of fact, we wrote that provision into the bill for the very purpose of preventing that effect.

Mr. LAUSCHE. On page 4, line 4, this language appears:

> Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and any other real or personal property needed for an efficient and coordinated mass transportation system. No grant or loan shall be provided under this section unless the Administrator determines that the applicant (which in no case shall be a private company

Why has it been stipulated that in no case shall the applicant be a private company?

Mr. SPARKMAN. Will the Senator read on about one sentence further and pick up on line 14? The language reads:

> The applicant shall, with respect to private mass transportation companies, give full consideration to the exercise of such continuing control through the appropriate existing governmental regulatory agency authorized to issue to the operating company, in the form of certificates of public convenience and necessity, franchises, or other indicia

of operating authority, the authority to operate as a private mass transportation company.

Mr. LAUSCHE. I believe we agree on that.

Mr. SPARKMAN. I believe that answers the question.

Mr. LAUSCHE. Application must be made through a public authority.

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. Not through a private company.

Mr. SPARKMAN. Yes. I am sure the Senator would agree to that procedure.

Mr. LAUSCHE. What is the Senator's estimate of the full cost of this bill, by way of grants, to the taxpayers of the United States?

Mr. SPARKMAN. I would prefer it if the Senator would wait until the presentation is made from the Commerce Committee, because the amendment to it he offered completely rewrites this language of S. 6. A member of the committee who will present the committee version will be able to give the cost. I know only from talking with the chairman of the Committee on Commerce, the Senator from Washington [Mr. MAGNUSON] that he believes that the guarantee principle will completely resolve the problem. He believes that there will be very little cost to the Federal Government, if any. I am not saying that on my own responsibility, but only based upon what he has said. The amendment to be offered derives somewhat from the Senator's bill. I will not say it is identical with it. It is somewhat similar to the provision in the Senator's bill.

Mr. LAUSCHE. I would like to say at this point that the Administrator of HHFA testified that it will cost from $4 billion to $6 billion before we are through. In my judgment, it will cost $8 billion. I repeat: $8 billion.

Mr. SPARKMAN. Well, I do not know where this cost figure comes from. It seems to me to be pulled out of the air.

Mr. LAUSCHE. Oh, no.

Mr. SPARKMAN. Under the plan that was suggested in the bill introduced by the Senator from Ohio and adopted by the Commerce Committee, which I understand is to be accepted here, I am sure——

Mr. LAUSCHE. It is not my bill.

Mr. SPARKMAN. I am sure the Senator would not provide any such subsidy program as that.

Mr. LAUSCHE. It is not my bill.

Mr. SPARKMAN. I am referring to S. 807, which the Senator from Ohio introduced. This formula was in his bill.

Mr. LAUSCHE. Not the original $50 million.

Mr. SPARKMAN. The Committee on Commerce adopted it; we are going to adopt it; so it seems to me that we are swinging right into line with the Senator from Ohio, who, I am sure, would not provide for any such expensive financing.

Mr. LAUSCHE. My bill provided for a $50 million loan guarantee program. The administration's bill provides $500 million for 3 years.

Mr. SPARKMAN. That is a grant.

Mr. LAUSCHE. A grant; a gift.

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. But the Committee on Commerce was not content with $50 million or $500 million. They said they would give $1 billion. So the bill of the Committee on Commerce provides $500 million for grants and $500 million for guaranteed loans. I was glad to get out of the meeting for fear they would jump the amount up to $2 billion. [Laughter.]

Mr. SPARKMAN. Mr. President, I yield the floor.

Mr. TOWER. Mr. President, the so-called mass transportation bill as it exists would extend further, over the country, the massive paternal hand of the Federal Government. It would deal a heavy blow to the concept and practice of separation of powers and functions between State governments and the Federal Government.

Supporters claim the bill will set in being a plan whereby the traffic problems in the congested areas of our Nation will be solved. However, the bill contains provisions which would confer czaristic powers on the HHFA Administrator, leaving too much to his arbitrary will and discretion. The bill is devoid of appropriate limitations; it is lacking in proper control.

The total cost of the program as established under S. 6 is only a start. In the 1962 committee hearings on a similar bill, a survey report made by the HHFA and the Department of Commerce conceded that $9.8 billion would be needed to alleviate urban transportation needs in the major cities. This near $10 billion estimate is not mine; it is that of the Agency which is going to administer the program. The $500 million S. 6 calls for is nothing more than a foot in the door, and is conceded as such by witness after witness. This $500 million is a mere drop in the bucket compared with the total future cost.

Most of the witnesses who testified for the bill were from the large cities. They knew what they were talking about concerning costs of mass transportation. They have had experience with such costs. This knowledge has been gained through experience in their respective areas. Many witnesses, by and large, felt that cities and States simply could not meet the problem headon and solve their own problems; that the cost was too much for the cities and States to bear themselves.

The witnesses from the metropolitan areas were certainly correct when they testified as to the tremendous cost of the program, but they were in error when they testified that cities and States themselves could not solve the cost problem. Consider what San Francisco has just done. Residents of the San Francisco Bay area approved, last November, a $792 million bond issue to finance their own transit system, a brandnew one quite complex in nature. That mass transit system will be financed partly through a property tax approved by the Bay area voters themselves. It is my understanding that Los Angeles, planning for a new and complex and costly mass transit system, will use farebox revenue as one of the primary sources of necessary funds.

One witness estimated that his city could use $200 million, another $300 million, another $100 million, and on and on. The $500 million in S. 6 will not go far—just far enough to open the door for an ultimate expenditure of $10 billion. The $500 million in S. 6 will go just far enough to keep communities and States from solving their own problems and meeting their own needs by discouraging local initiative.

Many smaller cities and towns are solving or planning to solve their own problems. The Committee on Commerce has heard a number of witnesses testify and present statements showing how the transportation problems in their respective areas are being met.

The bill before the Senate, S. 6, has undoubtedly already stifled incentive in various communities throughout the country. If there is one thing this country does not need, it is a program that will force communities and States to be even more dependent upon Federal aid from Washington, particularly at this time. It is becoming increasingly apparent that the Federal Government is encountering opposition to aid programs—stiff opposition in some cases—from States which feel that they can solve and work with problems within their own borders much better and much more effectively than can Washington. This opposition is coming from States which have Republican Governors and States which have Democrat Governors. This increased interest at the State level should lead to more efficiency, to lower costs, to better administration and control. Let us encourage communities and States to solve their own problems, let us not discourage them. Federal involvement in local and State affairs will always reduce and, in some cases, destroy initiative on the part of local and State governments in seeking to solve their own problems.

Although I am not generally regarded as favorable to trade union demands, I have always maintained cordial relations with the representatives of labor in my own State. We believe in treating each other fairly, and in giving each other the right to be heard, the opportunity to be heard.

The trade unions were not afforded the time to express themselves before the committee on the amendment with which they were most concerned. Labor's fears did not exist last year or the year before. They supported and endorsed this legislation at that time, but because of the public acquisition of a private transit system, or more properly systems, in Dade County, Fla., problems that labor might face under this legislation were suddenly brought to light, so labor requested, and rightly so, the opportunity to present their views before the committee.

On March 8, the Secretary of Labor offered an amendment to the mass transportation bill. Labor representatives testified immediately afterward without knowing fully what the Secretary's position would be. The labor representatives did present an amendment a day or so later, which was considered

along with the Secretary's proposals in executive session. But labor was not given any opportunity to testify further.

The labor section of this bill is one of the most important, and certainly those whom the bill will directly affect should, in fact, be encouraged to inform the proper committee of Congress of their feelings. I have received telegrams and correspondence and personal messages, as I am sure many other Senators have, both from labor leaders and individual union members, who say they are opposed to the bill. These messages have come from those who certainly have a great interest in the varied effects of the proposed legislation.

There is another matter related to the labor section of the bill which is extremely important.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Texas yield with respect to the question of labor?

Mr. TOWER. I yield.

Mr. WILLIAMS of New Jersey. I wonder whether the Senator would feel that adequate consultation can be had with interested groups both in public hearings and in private discussion.

Mr. TOWER. I am not certain I understand what the Senator means.

Mr. WILLIAMS of New Jersey. As the Senator knows, the committee has closed its hearings. We did not have labor spokesmen appear again at the public hearings of our committee; but we know that in the legislative process more than public hearings are held. There is the day-to-day work with persons who have vital interests. I am sure the Senator is aware that that is one of the legislative processes of Congress.

Mr. TOWER. I understand that when we are working under pressure and are anxious to pass legislation, sometimes we treat matters a little more cursorily than when we have more leisure in which to consider measures.

The fact is that there was a substantial body of testimony on the bill prior to the inclusion of this amendment, but none from labor subsequent to the inclusion of the amendment. It is not a part of the formal hearings on the bill.

I would be hypocritical if I said that I am a great champion of trade union leadership; nevertheless, I believe that the representatives of organized labor have a right to be heard. I have never denied anyone a fair hearing, as I think anyone on either side of the fence will testify. I think the representatives of labor should have the opportunity to testify.

Mr. WILLIAMS of New Jersey. Since the record was closed, persons of great ability in the Senate and representing affected labor unions have been in discussion day and night. The Senate is meeting on Monday afternoon. I know that some Members of the Senate burned more than the midnight oil last night with Mr. Cushman, who spoke for the amalgamated union. If all these problems are resolved, and perhaps with an amendment tomorrow, to the satisfaction of all concerned, I shall be happy indeed to share the Senator's joy in that fact.

Mr. TOWER. I am not expressing any joy; let there be no mistake about it. I am, however, stating the argument against the bill. I think it is a valid argument against the bill. Whether I intend to support labor's demands or not, labor still has the right to make its demands and the right to be heard.

I was not aware that there was in the making some rapprochement between some of the proponents of the bill and organized labor; and I shall be very much interested to see what the outcome is.

Mr. SPARKMAN. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. SPARKMAN. In regard to labor's being heard, I wish to say the Senator from Texas will recall that the Secretary of Labor did not testify before our committee until nearly the end of the hearings. The labor organizations which had manifested an interest in the proposed legislation had been given ample opportunity to appear before that time; but they told us they did not wish to appear until after the Secretary had testified. So they followed the Secretary immediately, as the Senator will recall, and did testify in regard to the amendment the Secretary had proposed. They told us very frankly that they did not believe it was sufficient. They said they did not believe it went far enough. The Senator will recall that I asked them whether it would be agreeable to them to submit their proposal to us in writing.

So far as I know—and I was chairman of the subcommittee—no one representing the labor organizations asked for a subsequent hearing. Apparently the representatives who were there were well pleased with the opportunity they had to submit a memorandum following their testimony and to submit a specific amendment.

Mr. TOWER. Let me say that it was not my intention to infer or to imply that either the Senator from Alabama or the Senator from New Jersey intentionally was trying to deny anyone a hearing. Certainly that was not my intention, and I hope my remarks will not be construed in that way.

Mr. SPARKMAN. Of course not. No representative of labor who was present requested a hearing in addition to those we held.

Mr. TOWER. Actually, they testified on the next to the last day. I believe the Senator from Ohio [Mr. LAUSCHE] testified on the last day when testimony was taken.

Mr. SPARKMAN. That is correct. I believe they testified on Thursday, and the Senator from Ohio [Mr. LAUSCHE] testified on the following Monday.

Mr. TOWER. However, even if they had not asked to testify, I think it would have been wise on our part to see what was their comment on the amendment.

Mr. SPARKMAN. If they had wished to return on Monday and to testify then, we could have heard them then. But no such request was made.

Mr. TOWER. Probably there was very little time for them to make a survey of the effect on the unions or their constituents, and to obtain a reaction. In any case, the reaction since that time has been negative. It seems to me that perhaps it would have been in the best interests of the proponents of the measure to have allowed more time for the representatives of labor to consider this provision.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. WILLIAMS of New Jersey. I wonder whether the Senator from Texas will describe what he believes to be labor's anxieties about this measure.

Mr. TOWER. They feel that it does not go far enough in protecting existing bargaining rights, pension rights, and so forth—any number of things. I think that is rather clearly indicated by the proposal made by labor which is included in the committee's hearings.

Another matter relating to the labor section is extremely important. A number of States have, in one form or another, restrictions prohibiting certain labor activities by employees of the State and its political subdivisions. Would Federal assistance be given to States whose labor laws conflict with the labor provision in this bill? Would the labor provisions in this bill supersede the laws of the various States? The Secretary of Labor indicated there would be no superseding of State law, but said the question of whether there would be an effect was a somewhat different question. However, in section 10(c)(2) of the bill, in the language referring to the enforcement of the prevention of curtailment of collective bargaining rights by the HHFA Administrator, the words "to the extent not inconsistent with State or local law"—approved in subcommittee—were deleted from the bill in full committee. From this, one can only assume that this measure could be enforced in a manner not consistent with State or local law. Texas law prohibits the State or its political subdivisions from entering into a collective-bargaining contract with a labor organization in respect to wages, hours, or conditions of employment of public employees; and any such contracts shall be null and void. It is further declared to be against the public policy of the State of Texas for any such official or group of officials to recognize a labor organization as the bargaining agent for any group of employees. It is my understanding there are similar laws in several of the States. At any rate, this probable conflict with State labor laws is a most important consideration in connection with this bill. It is a matter that should be gone into in detail before the proper committee, in order to determine the effect of the labor provisions of the bill upon our State laws.

Secretary Wirtz, in referring in his testimony to the situation in Dade County—where, as I have mentioned, there was a loss of collective-bargaining rights, due to the establishment of a new transit system operated by the municipality—said that in the application of Senate bill 6 to situations of that kind:

There would be a question that would have to be squarely faced, as to whether or

not Federal funds should be used in connection with a situation of that kind, unless better arrangements could be worked out for the preservation of collective bargaining rights.

Will State laws be superseded, if not in one way, in another? The question is certainly raised as to whether the Administrator will be forced to deny assistance to certain States. Or would he deny assistance to certain States only until they changed their laws? The point is not at all clear, because no testimony was made available to the committee after the deletion of the words "not inconsistent with State or local law."

Senate bill 6 lacks economic justification and basis. I feel that the local and State governments are in as good a position, if not a better one, to finance their own transportation needs. States are certainly better agents to solve mass transit problems than is the Federal Government. I do not, of course, recommend that local governments be enlarged to include suburban areas, unless the residents of these areas desire to be so included; but I point out that for the purpose of solving specific problems, some metropolitan areas have organized in this manner. There are also in existence interstate compacts dealing with urban projects, such as the one creating the New York Port Authority.

Testimony presented before the committee showed that 194 transit companies have been abandoned since January 1954. The primary cause for these abandonments is that these systems are simply not performing the function desired by persons in the areas they serve. As a witness so aptly pointed out last year, the transit systems did not leave the people; the people left the transit systems.

Is modernization the answer? When people stopped using transit systems, they sometimes stopped using systems that were modern at that time.

It is held that improved, new mass-transit systems will mean less automobile use, and traffic congestion will be curtailed or eliminated. But there is no assurance; there was not brought out in the committee hearings any real evidence that new and improved mass-transit facilities would cause a significant number of people, now commuting in automobiles, to abandon their private vehicles in favor of mass transit. We must look at the primary reason for the use of the automobile by the commuter. The primary reason is convenience. The versatility of the automobile makes its use so desirable. There is no type of mass-transit system to duplicate this versatility and this convenience. Let me quote from a study—made by Northwestern University—relating to competition between the two; that is, between the bus system and the private automobile:

For example, if a man said his next best alternative to using his own car was the bus, and now for this group of people—call them this population of bus users, meaning the bus is their next best alternative—supposing you want to get them to give up the use of the car and go to the bus, since they have named it their second best alternative. Well, for a 0 fare, in this case, for bus, you would divert 13 percent of them. At a —10-cent fare you would divert 24 percent of them. At a —20-cent fare, you would divert 37 percent of them. In other words, if you provided free transportation to these people you would divert 13 percent of them from the use of their automobile for the use of the bus; if you paid them 10 cents to ride the bus, you would divert 24 percent of them. If you paid them 20 cents each, you would divert 37 percent of them from the use of their private automobiles to the bus systems. These people would rather use their own automobile, which to them is more convenient, than to ride the buses.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. LAUSCHE. What is meant by the term "zero fare"?

Mr. TOWER. That is to say, no fare charged at all. In other words, it is a free ride.

Mr. LAUSCHE. If the passenger were given a free ride, would it be termed "zero fare"?

Mr. TOWER. With the offer of a free ride, 13 percent of riders would be diverted to buses. The ride would not cost the passengers anything. At a minus 10-cent fare, 24 percent of the passengers would be diverted. That is to say, if each passenger were paid 10 cents to ride the bus, 24 percent of those who travel would be diverted.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. WILLIAMS of New Jersey. Has that result been determined in an actual demonstration through making bus rides free and actually paying people 10 cents to ride them?

Mr. TOWER. It was determined by asking them questions.

Mr. WILLIAMS of New Jersey. What study is that?

Mr. TOWER. The study was made by Northwestern University, and the report was placed in the RECORD by the distinguished Senator from Ohio.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. TOWER. I yield.

Mr. LAUSCHE. Dr. Moses made the study. He concluded that ample time was not available for him to finish it. The quotations referred to by the Senator from Texas are correct. Dr. Moses, however, went still further. He pointed out how much people would have to be paid in order to get them out of automobiles and into buses or railroads.

Mr. WILLIAMS of New Jersey. Will the Senator identify Dr. Moses? What Dr. Moses?

Mr. LAUSCHE. Dr. Moses is professor of transportation at Northwestern University, and was employed to make the study.

Mr. WILLIAMS of New Jersey. Who paid him?

Mr. LAUSCHE. The Federal Government. The U.S. Government paid him. I believe that the Department of Commerce or the H.H.F.A. paid him.

Mr. WILLIAMS of New Jersey. Is the Senator sure of that?

Mr. LAUSCHE. I am sure.

Mr. WILLIAMS of New Jersey. The Bureau of Public Roads?

Mr. LAUSCHE. The Ford Foundation and the Government hired him.

Mr. WILLIAMS of New Jersey. The automobile associations?

Mr. LAUSCHE. No, not the automobile associations. If the Senator will examine the record, he will find that Dr. Moses was to submit his report to the Federal Government. He testified that people would have to be paid in order to get them out of automobiles and into bus and railroad transportation.

Mr. TOWER. In all candor, I do not maintain that the study has a monopoly on truth, but at least it is a study that has been made. Whether it is 100 percent accurate or not I do not know. I do not know of any survey that has ever been 100 percent accurate. I remember that a Gallup poll predicted a Dewey victory in 1948. Predictions are never entirely accurate, of course, but they are indicators. In any case, there is no study to show that improved facilities would cause people to abandon automobiles in great numbers.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Ohio.

Mr. LAUSCHE. I should like to read from the transcript of the hearings of last year. Dr. Moses is director of research at the Northwestern University Transportation Center, Evanston, Ill.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield at that point?

Mr. TOWER. I yield.

Mr. WILLIAMS of New Jersey. In a brief study made in Detroit, which is contained in our report, it was shown that riders were diverted from automobiles to buses—3,000 riders were picked up, which represented an increase of 12 percent. That was described by the junior Senator from Alabama [Mr. SPARKMAN].

The study was only a brief one, and probably not as long as it should have been.

Experience in the Boston, Mass., area was even more dramatic. Again, as a study, it is an infant. But the Boston and Maine demonstration indicates that perhaps 2,000 automobiles have been taken from the highways when people were diverted from highway travel to the Boston & Maine Railroad. The Senator knows what 2,000 automobiles mean. It is about one lane of traffic 5 or 6 miles long, at least, bumper to bumper. It represents a great deal of valuable land in the downtown section of our cities which is used merely as parking lots for automobiles.

To get some idea, by way of comparison, of the space required for the number of cars on Capitol Hill, the staff of the Senate and all committees are allocated 836 parking spaces. We all know how much open land is taken and how much it cost to build the new Senate garage, too.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. TOWER. I shall yield in a moment.

I point out to the Senator from New Jersey that enterprising Texans build skyscrapers for parking facilities, which

takes care of the land usage problem. We stack them. And we in Texas have much more space available than do people in New Jersey.

Mr. WILLIAMS of New Jersey. Would it not be better in downtown sections of cities to have productive people, rather than idle automobiles, stacked in those skyscrapers?

Mr. TOWER. A skyscraper race is going on in Dallas to see who can go highest. We are going up.

Mr. WILLIAMS of New Jersey. Tall Texans need tall buildings. I appreciate that.

Mr. TOWER. I yield to the Senator from Ohio.

Mr. LAUSCHE. I should like to read from the transcript of the testimony taken September 17, 18, 19, and 20, 1962, on the bill S. 3615. I asked Dr. Moses the following question:

> For whom have you made studies? Have you made any for the Federal Bureau of Public Roads?

Dr. Moses replied:

> Yes; this study which I referred to was partially financed by the Bureau of Public Roads.

So I repeat unequivocally that Dr. Moses and Northwestern University were employed in part by the Bureau of Public Roads. Dr. Moses gave the testimony to which the Senator from Texas is now referring.

In relation to the Boston & Maine demonstration, 2,000 automobiles were taken off roads and 7,000 passengers were added to the Boston & Maine Railroad. But for each passenger the cost was a dollar a day. So in the Boston & Maine demonstration, in order to get people to give up their automobiles, they had to be paid a dollar a day. If we could carry that load, well enough. But I do not believe we could.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield so that I may make a comment on that statement?

Mr. TOWER. I yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. When an automobile is brought into a city, it represents a heavy cost to the city. The city of Philadelphia has estimated that per capita annual expenditures for all the care and attention necessary, from policemen to streets and roads, is approximately $140 a year. I thank the Senator for yielding.

Mr. TOWER. To get the remainder of the study into the RECORD, we noted that a minus 10-cent fare would divert 24 percent. At a minus 20-cent fare, 37 percent would be diverted. In other words, if we paid people 20 cents a person, we could divert 37 percent of the people from their automobiles. That is what the Northwestern study showed. It is interesting. I think it should be brought to the attention of Senators who are considering the measure.

I am not opposed to mass transit systems, neither do I believe are others of those who are not supporting the proposed legislation. Nor do we deny substantial need for improvement. But I question the contention that the problems of mass transportation create a national crisis which it is the Federal Government's responsibility to solve.

Taxes should be levied on a sound and equitable basis. The benefit principle, by which users or recipients of the service would pay for the service according to the benefit received, is not present here.

Proponents expressed many times in the hearings that the highways are being subsidized, and therefore mass transit should be subsidized. There is, in fact, no comparison between the two—that is, between highway financing and the proposed mass transit financing. The major difference is of course apparent. Those who receive the benefits from highway use provide to the Government funds through gasoline taxes and other user taxes. In highway use, those who receive the benefits are paying for the facilities.

The major metropolitan areas are the wealthiest areas in the country. They enjoy high per capita income. It has not been proven that they lack the resources to meet their own needs.

Some sort of feasibility study, including reasonable alternative schedules should be undertaken to determine whether or not proposed improvements are actually in the interest of the public.

One serious objection to this bill is the lack of consideration given the Comptroller General. His recommendations were largely ignored. These were embodied in a letter from the Comptroller dated March 8, 1963, and received by members of the Banking and Currency Committee on March 12, the date that the committee met in executive session intending to take final action on the bill. Among the Comptroller's recommendations were matters which I considered to be extremely important to the drafting of proper legislation. One thing the Comptroller found, for example, was that if the administration's concept is fully implemented in this bill, projects might receive Federal and non-Federal grants equal to nearly 100 percent of a project cost.

The Comptroller, of course, supported the concept of annual appropriations instead of the contract authority, the financing aspect embodied in the present bill. I believe, as the Comptroller pointed out, that the Government programs should be able to withstand the tests of recurring congressional scrutiny. In this case, even the administration called for annual appropriations. Contract authority provision here is nothing more than a type of back-door financing. There are actually no limitations on the funds here, because the U.S. Treasury is pledged to pay whatever the administration commits.

In summary, Mr. President, I am of the opinion that there is no national crisis in mass transit to the extent that the entire country should be asked to sacrifice, in these times of high taxes and deficit spending, so that the larger cities can be relieved of their responsibilities. We should be making plans to curtail our spending, instead of plans to increase it. This drastic Federal program is not needed.

The business leaders throughout the country feel that this vast new Federal giveaway is unnecessary.

In summing up, Mr. President, again I point out that the bill would do nothing but tend to destroy local initiative and responsibilities. The communities will be less likely to work to meet their own problems, as long as they know that they can come to Washington to get Federal money to help finance the solving of these problems.

The bill is very loosely drawn. It leaves too much to the arbitrary whim and discretion of the administrator of HHFA.

Many of those who testified for the bill candidly said that this was to be only the beginning, that they anticipated much more money would be needed in the future. So, in the long run, it would cost us many, many times more than $500 million.

There is also the possibility that the program under the bill could be used for political purposes. Although I would not imply that anyone in the immediate future might do that, conceivably some administration some day might see this as an advantageous instrument to promote its own political welfare.

Mr. President, it is my fervent hope that the bill will be defeated.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Ohio.

Mr. LAUSCHE. Did I correctly understand the Senator from Texas to say that the passage of the bill would tend to destroy the initiative of local communities as to trying to solve their own problems?

Mr. TOWER. It is my belief that it would. Some people testified to this effect. The man who testified for the United States Chamber of Commerce indicated that that was his fear.

Since there has been so much talk about some sort of mass transportation subsidization, a lot of cities have waited around to see how much Federal money will be available before proceeding on their own.

I think passage of the bill definitely would tend to stifle and discourage local and individual initiative and responsibility.

Mr. LAUSCHE. I should like to point out to the Senator that in 1962, when Mr. John C. Kohl, the Assistant Administrator of HHFA, testified, I asked him the question, "How many loans have you made under the $30 million appropriation?" And he answered, "Two; one of $6 million and the other of $5 million." I then asked him, "How much money do you have left for lending purposes?" And he answered, "$19 million." I asked, "Are there any efforts being made now to borrow out of that $19 million?" His answer was, "No." I asked, "Why not?" The answer he gave was, "Because the grant prospects came into the picture early this year."

Up until 1962 there were loans. In 1962 the talk began about gifts. The more the gifts came into the picture the smaller the number of local transit systems which wished to borrow.

In Cleveland, my home city, five members of the board by a vote of 3 to 2 decided to extend their own rapid transit system from Cleveland out to the airport. They learned that gifts were to come from Washington, so they changed their decision.

Mr. Gasper A. Corso, one of the members of the Cleveland Transit Board, testified, in answer to my question, "Did any one of the members of the board who changed his mind state why his mind was changed?" that he changed his mind because, "It would be foolish to borrow when you can get it for nothing." This is in substance what he said, though not an exact quotation.

I submit that the bill would corrupt the morals of individuals in our home States who have the responsibility of trying to solve their own problems. It has already done so. No one has made application for loans. Why should they?

I should like to quote again from the testimony by Mr. Kohl:

> I think any prudent management would wait and see which way financing could be worked out most effectively.

As between borrowing and receiving for nothing, Mr. Kohl implied that prudent management would say, "Let us wait until it comes to us a gift."

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield briefly?

Mr. TOWER. I yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. I think it would be timely to make certain observations on how, in the proposed legislation, we have taken account of the criticisms by the Comptroller General, and there is more to come.

I know the junior Senator from Virginia [Mr. ROBERTSON], the very distinguished chairman of the Committee on Banking and Currency, is seeking recognition. Those of us on the committee who are proponents of the legislation have the deepest of affection, respect, and gratitude for our chairman who, notwithstanding opposition to the bill, has made every possible effort that could be made to give us an opportunity to advance the bill which we support.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. TOWER. I yield further to the Senator from Ohio.

Mr. LAUSCHE. Am I correct in my understanding that San Francisco voted some $690 million or more to solve its own problem?

Mr. TOWER. To solve its own problem, $792 million.

Mr. LAUSCHE. What about Los Angeles? Does Los Angeles have anything on the ballot now with respect to a 15-percent ad valorem tax, in order to solve its problem?

Mr. TOWER. The Senator is correct. They have supported the ad valorem tax, as well, to finance the system.

Mr. LAUSCHE. Did a private enterprise install a system in Houston, Texas, which is now self-sustaining? Is the Senator familiar with that situation?

Mr. TOWER. Is the Senator referring to the one in Houston or the one in Fort Worth?

Mr. LAUSCHE. This particular company owns two systems, one in Texas and one in Kansas. The head of those systems testified before our committee.

Mr. TOWER. That is true. I might note that the chamber of commerce of the city of Houston has notified me it believes Houston can resolve its own mass transportation problems without assistance from the Federal Government.

Houston is a burgeoning industrial area. It is moving out. More satellite towns are springing up. Once-sleepy country towns have become dormitory towns. Of course, there are problems as to getting people in and out of the city and the various industrial centers surrounding it.

The leaders of the city of Houston have informed me that Houston can and will resolve its own problems.

Mr. LAUSCHE. I am referring to Mr. Bernard E. Calkins, president of the Rapid Transit Lines, Inc., Houston, Tex., and also president of the Rapid Transit Lines, Inc., Wichita, Kans.

Mr. TOWER. The Senator is correct.

Mr. LAUSCHE. When he testified, he said that he took over those systems and has made them a going concern.

If the Senator will yield further, he also testified that he has had the cooperation of public officials in allowing him to charge a rate or fare that would make the business a success.

I respectfully submit that where they have not been able to operate on a self-sustaining basis, it has been because of interference of the local public officials in not permitting the operators to charge rates of fares that would be self-sustaining. Subsidies were granted by the local officials. Now they come to us and say, "You join us in these subsidies." I am not going to agree to be one of the joiners in such a program.

Mr. TOWER. I thank the Senator for his statement, especially the reference to the situation in Houston. Just as so often happens when man tries to upset the balance of nature, when the politicians start interfering by regulating a system, trouble usually results. This fact may account for loss of revenues and abandonment of services, because the operators were proscribed from charging fares necessary to meet costs.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. TOWER. I yield.

Mr. LAUSCHE. I was mayor of Cleveland when the city acquired the Cleveland Rapid Transit System. A charter was adopted taking out of the city council the right to fix fares. It was done because I knew that, if the city council fixed fares, at every election there would be promises of fare reductions, and the inevitable result would have been a denial of the fiscal stability of that system.

As a result of the adoption of the charter, which took from the city councilmen the power to fix fares, that system has been self-sustaining. The city of Cleveland bought that system for $17½ million, paid for it out of the fare boxes, borrowed $30 million to extend the rapid transit system, and the city is now paying off the obligation on the borrowed $30 million.

I submit that back home they can solve the problems if there is a purpose to do so.

Mr. TOWER. I agree with the Senator from Ohio.

Before I yield the floor, I should like to join the Senator from New Jersey in what he said about the chairman of the Banking and Currency Committee, the Senator from Virginia [Mr. ROBERTSON]. He has been very fair and cooperative with both the proponents and opponents of the measure. We are deeply grateful to him. He has shown a great spirit of fair play and cooperation, which we all appreciate.

I yield the floor.

Mr. BENNETT. Mr. President, I commend my colleague from Texas on his frank, forthright statement opposing Federal subsidization of local mass transit systems.

Few would argue that the flow of traffic in large metropolitan areas is without problems. I personally am not aware of any phase of our economy or society which is devoid of problems.

At a time when many American people are greatly in favor of a tax reduction—but only on the condition that Federal expenditures be held to a minimum—it does not seem proper to begin massive programs which admittedly are just a beginning and are intended to expand into all urban areas.

Some expenditures included in the Federal budget are very important and are properly matters which can be best performed on a Federal level. This is not true of local transit systems.

Mass transportation problems are of a local nature. Many communities have systems which are both adequate and profitable. Such communities, through their own efforts, solve any problems which may arise. Transportation districts can be and have been organized to solve problems that cover an area larger than the local area. In some cases, these districts cross county and State boundaries. The problem is one that can better be solved by those who are close to it than by a Federal agency.

It has been claimed by representatives of the large cities that mass transportation needs have outstripped the present resources of the cities and States. These claims infer that the Federal Government is more able to make such expenditures. We should remember that any expenditure made by the Federal Government must be provided by residents of all States and localities in the form of increased taxes. The funds would be taken from the people to Washington, reduced by whatever costs are incurred to administer the proposed mass transit bill, and then returned to selected metropolitan areas. Quite obviously, there would be a transfer of income and buying power in such transactions.

If this program were to be approved, those in the more sparsely populated hinterland areas of the country would be required to subsidize those in metropolitan centers—centers which already have higher per capita income and are more financially able to solve their own problems than are the rural areas which often have far more acute, though different, problems of their own to solve.

The claim of those who support this program has historically been that they stand for more equality in income and living standards. Yet this measure would have an opposite effect and would result in greater inequities between geographical areas and place an added burden on the less prosperous regions of our country.

Proponents have repeatedly claimed that our great metropolitan centers are losing population and industry and that, therefore, their local tax base is being impaired. I am of the opinion that the move from large cities to other, less congested areas is not primarily because of inadequate transportation, but has been caused by such factors as dirt, crime, poor living conditions, decay, and other undesirable conditions.

There is no evidence to suggest that the trend away from the central city is detrimental to the welfare of the citizens or the economy of the United States as a whole. Some communities have benefited greatly from the relocation of industrial facilities. Movement of industry, no doubt, has resulted in more modern, more efficient, and more productive facilities—as well as more pleasant and safer working conditions. Decentralization of new factories and offices has required increased investment and thus created greater employment opportunities for the whole economy.

Should communities which have received benefit from the trend away from the central city subsidize new mass transit programs whose purpose would be to give a competitive advantage to the large cities?

It is my position that the Federal Government's responsibility does not extend to a point of preserving the tax base of any group of individual cities or areas at the expense of others.

It seems only reasonable that if mass transit systems will be of benefit to the metropolitan area socially and economically, these areas should be willing to pay for them. If such monetary and nonmonetary benefits to the central cities are not sufficient to warrant this investment, then it would be difficult to justify a Federal subsidy for such transit systems on any basis of national benefit.

No evidence has been presented which proves that the establishment of a new modernized and improved mass transit facility would cause automobile users to leave their cars home and use mass transit. On the contrary, information developed in the hearings and from still uncompleted studies indicates that to cause a significant shift from automobiles, it would be necessary actually to pay people to use the mass transit systems. There is no known economically feasible system today that can equal the versatility and convenience of the automobile in providing the transportation needs of our metropolitan areas.

Now, to consider the amount of employment that could be created by the investment in new mass transit systems: Nearly every witness who was specifically asked the question by proponents of mass transit subsidies said that improvement and modernization of transit equipment, facilities, and service would be likely to increase employment in the transit system. How could one answer other than affirmative? This, however, is no indication that such a move would produce more overall employment in the economy than would be generated without new or improved transit systems.

If one were to assume that the transit systems were established, were successful, and that a significant number of automobile users would use the mass transit instead of their autos, this would mean a decrease in production and sales of petroleum products, tires, and other automotive items. Great numbers of employees would find themselves not needed in these industries. We have reason to believe that establishment of mass transit systems could actually decrease significantly the aggregate of employment and thus add to the problem of unemployment, which is already at a dangerously high level.

In addition to the loss of jobs, we must consider the possible loss of millions of dollars of annual revenue now provided by State and Federal gasoline taxes. The tax per gallon, which is already about 30 percent of the total price, would then necessarily have to be increased in order to collect sufficient revenue to build and maintain highway systems throughout the country.

It seems unwise, to say the least, to penalize a transit system which is obviously preferred by the American people in order to install one which proponents apparently admit will not have sufficient support to pay its own way. In this the American way to allocate resources?

In a free society such as ours, the desires of the people determine allocation of resources. Each time a dollar is spent, a choice is made and a vote is cast for the item on which it is spent. This, of course, is primarily what determines what is produced, who produces it, and for whom it is produced.

Over the recent years, more and more prospective users have voted against mass transit systems. As a result, some systems that existed a few decades ago have been discontinued; and others are having a difficult time operating profitably. This has occurred because the services offered have not been desired by a sufficient number of the residents of the areas in which they served. Have the mass transit bill's proponents abandoned the American philosophy that the people are able to decide for themselves how they would like to spend their income? Is it the purpose of these planners to eventually take the decisions of such matters away from the people? I sincerely hope not. But the evidence seems to indicate such a trend.

Proponents of Federal subsidization of mass transit systems claim that a person is not consistent in his views if he supports the Federal interstate highway program but does not support the mass transit bill. This is not necessarily true. Funds used for highway construction and maintenance are provided either by the local areas which receive benefit from the highways or through gasoline or other user taxes. Thus, the highway program is not subsidized by those who do not want it. It is financed by those who gain benefits from its existence.

There was a time when people used mass transportation facilities to a great extent. With the coming of the automobile, however, they discovered that individual private transportation was more convenient; and, as would be expected, a gradual change began to take place. As more automobiles were purchased, less use was made of mass transit facilities. The only way to attract automobile commuters away from their automobiles is to offer a new program which, in itself, is more desirable than the one they are presently using.

I am not against mass transit systems. If the people in our metropolitan areas desire such systems and are willing to support them, certainly they should exist and complement individual automobile transportation.

As I stated in the beginning of my remarks, we all know that we do have transportation problems in our metropolitan areas. I have also stated that I think the present mass transit bill should be rejected.

Now, lest I be accused of being only negative in my remarks, let me take a few minutes to offer several positive suggestions.

Without committing myself to the assumption that the whole problem of mass transit is a proper area for Federal participation, I suggest that the present bill should be rejected and a new and opposite approach be taken which, in my opinion—if Federal participation is proper—would lead to a more satisfactory solution.

The present bill sets down no really effective guidelines for the development of community programs. It could set up a whole series of hastily conceived programs, whose approval by the administrator could commit the Federal Government to an unknown and unmeasured obligation. It could also set in motion programs which might have to be changed, even abandoned, because they have not been adequately checked through in advance.

Instead of the grab-bag approach, I suggest that the problems of each community are different and that if action on our part is necessary, it should take the form of separate programs tailored to the needs and resources of each community that applies for help—but only after all of the basic facts in each case have been developed. To be specific, I suggest that if Congress considers any bill at the present time, it should be a bill setting forth guidelines for the preparation of applications by individual communities for Federal participation in carefully developed and feasible programs.

With that in mind and without attempting to write the specific legislation, because I think that is impossible to do on the floor of the Senate, let me suggest for your consideration some of the features of this alternative:

First. Each community desiring Federal help should be encouraged and required to prepare, at the community level, a plan designed to take care of its mass transit problems for a period

of time at least as long as the duration of the debt that would be created to finance it.

Second. Such a plan obviously should include the use of existing transit systems, both public and private, if they are to be continued, as well as necessary improvements in their facilities and service pattern envisioned or projected to the end of the period covered. It should also include definite proposals for any new types of mass transit which the planners believe would be needed and adequate to supplement existing systems.

Third. In the preparation of any such plan, the pattern of employee participation and the preservation and/or extension of their rights as employees should be completely developed.

Fourth. Each plan should also develop the program for financing this particular system to the end of the planning period. It should include: (a) the extent of private financing for the participation, (b) local public financing, (c) the extent and pattern of Federal financing, including Federal grants in cases where the problem is created by the impact of employees of Federal agencies, and (d) Federal loans to the extent that they may be needed.

In view of the amendments suggested by the Commerce Committee with respect to Federal guarantees, in no case should such Federal loans and grants or guarantees equal more than 50 percent of the total cost.

Fifth. The bill should provide that any Federal loans made would receive interest at a rate equal to the average cost of Federal obligations with a term comparable to the repayment schedule proposed in the plan.

Sixth. The mass transit plan should also include any other items necessary to demonstrate its complete feasibility. Among such items would be: (a) a definite breakdown of development and operating costs, (b) projected use rates based on reasonable population and economic growth rates, (c) estimated income to be produced by user fares, (d) the proposed system's capability to provide effective, economical transit service for the period covered, and (e) its ability to pay new obligations which it creates.

Seventh. After the details of the plan have been worked out at the local level by cooperation of all interested participants and they have accepted and approved its feasibility, it should be submitted to the voters of the community, either as a referendum or as a referendum plus an approval of the bond issues required to finance the local public participation in the plan. Unless 51 percent of those eligible to vote on it will approve the plan, it should not be considered by any Federal agency as an appropriate proposal for Federal participation.

Eighth. After the plan has been approved by 51 percent or more of the eligible voters, then a bill could be introduced in Congress authorizing specific Federal participation in accordance with the terms of the plan. Such a bill could then be handled by Congress in the normal way. It could be circulated among the Federal agencies involved for their report, including a check on its claimed feasibility, and then be set for hearings and consideration by the Housing Subcommittee of the Banking and Currency Committee. If approved by Congress, it would have the same status as any other bill to authorize appropriations.

A second bill would then go through the appropriations process in the regular pattern, and such funds could be appropriated year by year as would be necessary to carry out the plan.

The argument might be raised that this proposal would give Congress too much work. A reviewing agency should be set up in an appropriate department in the executive branch of Government and given authority to approve applications up to a certain size—say, for example, $1 million—leaving Congress the power to reject that approval within 60 days, but requiring affirmative approval by Congress of all applications above the set maximum. This would eliminate the charge that to operate on this basis would overburden Congress. Actually, there are only about a dozen giant cities whose possible drain on the Federal Treasury would be very large, and these themselves are so large that they should be specifically reviewed.

An approach such as I have outlined would parallel the approach now taken by reclamation projects and other programs in which Federal participation is necessary but on which a repayment, in part at least, is expected. Such a program would recognize that each community faces a different problem and, therefore, requires a different solution. It would give Congress some assurance that the proposed solution is feasible and would permit Congress to review and, if necessary, amend the recommended amount of Federal participation. It would still leave the local community with the initiative, responsibility, and opportunity to set up its own plan without political interference from Washington. Congress also would know in advance, before it started on any program, the ultimate amount for which it was obligating the Federal taxpayers.

It is my opinion that the present bill should be rejected, because nobody really knows what it means. The remarkable unanimity of opposition which ranges from the conservatives to the international officials of the unions that might be involved, as well as the officials of the AFL-CIO Federation, demonstrates this.

I hope Congress will reject the present bill and give those who are sincerely concerned with a mass transit problem an opportunity to present new legislation based on the kind of pattern I have suggested.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield to the Senator from Texas.

Mr. TOWER. Mr. President, the Senator from Ohio [Mr. LAUSCHE] is in receipt of comments relating to the Urban Transit Development Act of 1963 and the Urban Mass Transportation Act of 1963, prepared by Herbert Mohring and Oswald Brownlee, of the Department of Economics, University of Minnesota. The Senator from Ohio and I believe that this is an excellent document, and I, therefore, ask unanimous consent that it may be included in the RECORD following our remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS RELATING TO THE URBAN TRANSIT DEVELOPMENT ACT OF 1963 AND THE URBAN MASS TRANSPORTATION ACT OF 1963

(By Herbert Mohring and Oswald Brownlee, Department of Economics, University of Minnesota)

The proposed Urban Transit Development Act and the Urban Mass Transportation Act raise three very important questions: (1) Are subsidies to urban transportation activities desirable? If so, (2) what role should the Federal Government play in providing these subsidies and what form should they take? (3) What agency of the Federal Government should administer whatever programs dealing with this subject may be adopted?

To state our position on these questions briefly, a decline in patronage, particularly during periods other than morning and afternoon rush hours, has brought about marked deteriorations in the financial positions of many mass transit systems. Taken by itself, this financial deterioration does not, in our view, justify any type of temporary subsidy program. Even if transit subsidies were deemed desirable, the effects of a temporary program probably would not be lasting. In large measure, the decline in public transit patronage reflects a basic shift in consumer tastes—a shift that is likely to continue in the absence of permanent countervailing action. The very serious inadequacies that presently do and perhaps inevitably must exist in transportation pricing procedures—might provide a sound economic basis for a permanent subsidy program. Even if an economic justification for transit subsidies could be found, however, it would seem preferable to have local rather than Federal Government agencies assume responsibility. Communities can reasonably be expected to be less profligate in their use of dollars that cost them a dollar each than of dollars which, as is the case with the Urban Mass Transportation Act, would have a direct cost to them of only 33 cents. Furthermore, the residents of say, Houston, have little interest in the transit system of New York and vice versa.

Any Federal action as may be taken in support of mass transportation should, we feel, not be taken in isolation but rather within the broader framework of metropolitan transportation as a whole. The specific agency that should be made responsible is not a matter that we feel ourselves competent to judge.

To elaborate, greatly increased real incomes and technological improvements have combined during the last half century to change the automobile from an expensive toy into a convenience well within the reach of the great majority of American families. For a growing proportion of the population, the convenience and time savings associated with automobile transportation have more than made up for its higher dollar costs. As a result, mass transportation patronage has declined.

Two further ramifications of the increase in auto ownership have been detrimental to mass transit service, patronage, and financing. First, the automobile has led to profound changes in the structure of urban areas. Residential population densities have diminished—the much commented upon phenomenon of suburban sprawl. In relative if not absolute terms, commercial and industrial activity has become decentralized. As a

result of these changes in urban structure, the demand for service along individual mass transit routes has diminished. Service frequencies have therefore declined. Further shifts from mass to private transportation have therefore inevitably resulted.

Second, the financial problems of mass transportation systems have been compounded by the uneven character of the shift from public to private transportation. Indeed, there is good reason to argue that the financial crisis currently besetting mass transportation systems stems not so much from a decline in patronage per se as from a decline in patronage at the wrong time of day. On most transit systems, the loss in patronage has been concentrated mainly during offpeak hours. Indeed, on many systems, patronage during morning and afternoon rush hours has experienced little if any decline. As a result, the average load factor on mass transit vehicles has declined steadily—a growing proportion of the capacity necessary to meet peakload demands goes unutilized during the remainder of the day.

Clearly, a substantial permanent subsidy program would eliminate the financial plight of public transportation system. Indeed, by enabling provision of more frequent service at lower prices, subsidies might serve to halt and perhaps even to reverse the decline in mass transit patronage. A substantial research effort might succeed in devising vehicles that could provide rapid, frequent service on low density routes at low cost. Barring this seemingly unlikely possibility, however, it seems doubtful that the effects of a temporary subsidy program would prove lasting. After all, the mass transit crisis is not of recent origin, but has been developing for the better part of half a century. It seems likely that the conditions responsible for this crisis could be reversed, if at all, only by committing substantial resources to the task over a substantial period of time.

Furthermore, even if there were some way of assuring that these conditions could be reversed, there is serious doubt in our minds that doing so would be socially desirable, for the soruce of the crisis is the various ramifications of an apparently growing preference for the speed and convenience—flexibility—afforded by private passenger vehicles. Consumers are willing to pay for such flexibility.

There is, however, one attribute of metropolitan transportation and, indeed, transportation in general, the ramifications of which might serve to justify permanent subsidies to mass transit systems. This attribute is the fact that both presently employed and, very likely, feasible alternative means of charging for the use of transportation facilities do not adequately reflect the costs of providing these facilities. The capacity requirements for transportation facilities in urban areas are determined by morning and afternoon rush-hour demands. If these two peaks did not exist, capacity requirements and hence the costs of providing transportation facilities would be substantially lower than is presently the case. For this reason, if each traveler were to be charged the costs incurred in serving him—the costs that would be saved if his trip were not made—peak hour travelers would pay substantially higher prices for trips than would offpeak travelers. Clearly, our present system of transportation-user charges does not possess this seemingly desirable characteristic. Public transportation fares typically do not differentiate between peak and offpeak loads. Similarly, the level of such highway user charges as gasoline taxes and license fees is not appreciably affected by the time at which private passenger vehicle operators make trips.

The imposition of higher peak than offpeak transit fares and highway user charges would very likely make a substantial contribution toward alleviating the present crisis in mass transit financing. Also, by discouraging nonwork trips at peak hours and encouraging car pools and perhaps the staggering of business opening and closing hours, such a pricing system would reduce the highway expenditures required to alleviate peak hour congestion problems.

Charging peak hour mass transit patrons approximately the cost of providing them with service would be a comparatively easy task. Levying cost-based user tolls on private passenger vehicle operators would be considerably more difficult, however. A very imperfect approximation to cost-based charges is perhaps the most that could be hoped for. If this is in fact the case, a permanent mass transit subsidy program might well prove economically justifiable. That is, a permanent subsidy for peak hour mass transit service might be required to minimize the money and time costs of metropolitan transportation. Unfortunately, the word "might" must be emphasized. To our knowledge, no one has as yet undertaken the substantial research effort required to determine the nature of optimum metropolitan transportation systems and user charges on these systems when cost-based tolls cannot be levied.

Whether the organization responsible for administering the research and other programs that may develop out of these acts should be the HHFA, the Department of Commerce, or yet a third agency is not a matter about which we feel competent to make recommendations. We do, however, strongly recommend that the agency given responsibility for these programs be authorized to deal with urban transportation as an integrated whole rather than exclusively with public transportation. In dealing with any problem, an integrated rather than a piecemeal approach seems preferable. In this case, the desirability of an integrated approach is reinforced by the great difficulties involved in establishing a genuinely cost-based system of user charges.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. I had to leave the floor briefly while the Senator was speaking. I heard enough, however, to get the impression that the Senator from Utah proposes a very thorough study and planning and local acceptance of new mass transportation problems at the local level. Is that correct?

Mr. BENNETT. It is my proposal that we approach mass transportation problems the way we in the West approach reclamation problems. We expect each large community to study its own program and develop a proposal which would fit that community, have it checked for feasibility, and demonstrate that the people in the community approve of it.

Each large community would submit a separate bill, which would give Congress a chance to check the feasibility of the project, authorize it, and then appropriate funds for it. The approach taken by S. 6 is to set up a fund and permit the communities to come to Washington and try to persuade the Administrator to give them a share of the fund, without any knowledge on the part of Congress of how far the programs could eventually go.

The bill now provides $500 million. This amount would not provide new mass transit systems for all our giant communities. Again, as in the case of reclamation projects, I think if there were a separate plan for each community, planned at least to the end of the obligation, Congress would be able to pass more intelligently on the advisability of approving such a plan.

Mr. WILLIAMS of New Jersey. Ultimately, there will be two major measures on which the Senate can work its will—S. 6 with the amendments added by the Committee on Commerce, and the substitute for it as proposed by the Senator from Ohio [Mr. LAUSCHE].

Under S. 6, the administration's program, no applicant can be a participant in the grant program without a comprehensive plan for the urban area covered. That is provided by the proposed legislation.

Mr. BENNETT. I understand that; but the difference between the approach of S. 6 and the approach I have recommended is that under my proposal if a community like New York or Chicago developed a pattern or a plan, Congress would review the specific plan, not some appointee in the HHFA, because we are dealing here with billions of dollars.

Mr. WILLIAMS of New Jersey. Not under the plan which is before us.

Mr. BENNETT. No; because the bill provides only $500 million. But the mass transit problems of all our giant cities will not be solved with $500 million. I am sure the Senator from New Jersey realizes that.

Mr. WILLIAMS of New Jersey. We know there are urban renewal programs and public housing and community facilities programs, and that each year or so we vote on the legislation and do what we can to improve it within the national budgetary limits. We know we have not succeeded, and that more work remains to be done.

I think the only area in which we have been truly successful is one in which there has been massive Federal spending. On the domestic scene, I am sure the Senator from Utah would agree that we have succeeded in providing an abundance in agriculture, and that has been due to the expenditure of billions of dollars of taxes raised.

Mr. BENNETT. I am afraid I cannot agree that we have succeeded in agriculture. We have succeeded in piling up agricultural surpluses which have cost billions of dollars as a result of high price supports which continue to plague us.

Mr. WILLIAMS of New Jersey. When we started land-grant colleges and the research on avian leucosis, and all the rest, were we not as a nation expressing the necessity of an abundance of food, and have we not an abundance of food?

Mr. BENNETT. Yes; we have too much of an abundance.

The difference between my approach to mass transit and the approach of S. 6 is that I feel that we should see each of the programs through to the end. The Senator from New Jersey says that we have a large urban renewal program and that we do the best we can with it. The mass transit problem is a specific problem.

Mr. WILLIAMS of New Jersey. There is a problem; the Senator is saying that?

Mr. BENNETT. Yes; there is no question about it. There are so many people to move. There is a different pattern and a different combination of facilities in a city like New York, with its waterfronts, than in a city like Chicago.

I think we would be able to legislate more intelligently if Congress passed on the plans of the giant cities and appropriated no funds until we had approved the plans which were before us, than if we simply said we were going to set up a $500 million fund and accept applications. We might get started on a number of plans, and it would be a long time before we knew whether we had provided enough money to permit a comprehensive program, or had merely provided enough to clean up the cars in the subway.

Mr. WILLIAMS of New Jersey. It seems to me that the Senator from Utah has given this subject much thought. I am sure it reflects an understanding of the need for vastly improved mass transportation facilities. However, I would pause at this point, where the decision for local transit depends so much on a decision in Washington. It seems to me that back home is where the method of working our way through to a more efficient local transportation system can best be determined.

Mr. BENNETT. I suggest that the plans be developed locally, with no Washington interference.

Under S. 6 the decision will be made by an appointee in the Housing and Home Finance Administration. I suggest that Congress pass upon mass transit programs, much as we now insist on passing upon each large reclamation project.

Mr. WILLIAMS of New Jersey. My final observation is that we do not know what would happen to local initiative if the folks back home knew they had to move through Congress with its mysterious labyrinth.

Mr. BENNETT. The Senator from Utah has had the experience of steering a billion-dollar reclamation project through Congress. It takes a lot of doing.

Mr. WILLIAMS of New Jersey. Perhaps we should have had the Senator from Utah on our side. The bill provides only $500 million for all the Nation. What was the billion-dollar project which the Senator steered through Congress?

Mr. BENNETT. The upper Colorado storage project, which will take 50 years to complete.

Mr. WILLIAMS of New Jersey. Is any New Jersey money involved in that particular billion-dollar project?

Mr. BENNETT. First, let me say that most of that billion dollars of Federal money will be repaid by farmers and communities in the West, who will be furnished with the water which the project will develop.

Mr. WILLIAMS of New Jersey. When will repayments be made?

Mr. BENNETT. They will start as soon as the power units begin to operate within the next year or two. Some of the repayments will run as long as 50 years.

Mr. WILLIAMS of New Jersey. How long has the project been under construction?

Mr. BENNETT. It was approved in 1955—7 years ago.

Mr. WILLIAMS of New Jersey. I had better check my voting record. Perhaps I voted for that project.

Mr. TOWER. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. TOWER. What the Senator is suggesting is not that we replace the development of plans locally with the development of plans in Washington, but simply that Congress approve such plans. Do I correctly understand that the Senator proposes to substitute for the arbitrary whim and discretion of one man the will of Congress?

Mr. BENNETT. In programs that are large enough to require congressional action. I have put a floor under the proposal. This would enable smaller communities to present their plans without the involvement of Congress.

Mr. TOWER. Is not the Senator aware that during the testimony on the bill several witnesses contended that $500 million would be a drop in the bucket, and that the communities would be returning to Congress for more money? Therefore, this program could mushroom into an extremely expensive one. Indeed, the Senator from New Jersey has indicated that he is prepared to accept an amendment suggested by the Senator from Nevada [Mr. CANNON] which would already double, or perhaps triple, the amount provided by the bill, and to provide an extra $100 million for revenue bonds. If there is any substantial amount of defaulting, the amount could well be in excess of $500 million.

Mr. ROBERTSON. Mr. President, I can speak briefly on the bill because my views are set forth in the committee report, which are available to all Members of the Senate.

Before taking up specific objections, I wish to refer to the last statement made by the distinguished Senator from Ohio about how they made the transit system in Cleveland pay its way. Last October I had the pleasure of visiting for a few days in the former capital of Brazil, the beautiful city of Rio.

I learned, on that visit, that the Government owns the railroads, the utilities, shipping, and a great many other facilities. The Government took over the railroads from the British, when those railroads were paying good dividends. Now those same railroads are losing $300 million a year, and we have helped to pay those losses. Some of the other losses have been paid by the simple device of printing money.

I was interested in the transit system that the Government had worked out for Rio. I was told that 1 million workers a day come into Rio to work, but live in the outskirts or in rural areas. The Government decided that the rural area from which the workers came to work in Rio was a distance of 45 miles out of Rio. So the Government fixed the rate for transporting those workers at one-third of 1 cent for 45 miles. The people voted for that. Anybody in Brazil who is 18 years old and can write his name can vote. Of course, the Government took care of the workers. They were uneasy about their situation when the Government took over the railroads.

So an amendment to the bill which took over the railroads was adopted, providing that if a member of the union had worked for the railroad for 6 years, he had a job for life. Everybody was happy. The workers and the union were taken care of. Those working in Rio were taken care of.

The only trouble is that they are losing $300 million a year.

When the officials of Brazil came here to get a new loan, they said that they were going to have some fiscal reforms. I asked the Ambassador, "What about the railroads?" He said, "We are going to increase the fares 400 percent." I asked him, "Is that so? What will they be?" He said, "Instead of one-third of 1 percent for 45 miles, it is going to be a cent and a half for 45 miles."

I am sure the Senator will agree with me that they are not going to solve the problem with that solution.

Now I wish to take up the specific objections to the bill.

I oppose S. 6, the Urban Mass Transportation Act of 1963.

I do not think the program proposed by this bill is timely or necessary or well considered.

I

This is no time to start new spending programs running into the hundreds of millions and billions of dollars.

The bill would set up an urban mass transportation program involving $500 million of grants in the first 3 years and, in addition, extension of the $50 million borrowing authority already authorized under existing law.

The authorization of $500 million in S. 6 is not realistic. I am convinced that nothing short of an expenditure of $5 billion will show an appreciable effect upon traffic problems now existing in some of our great metropolitan areas. In fact, I understand that, according to a study made last year by Government officials—which for reasons best known to themselves they have refused to release—the cost of solving these traffic problems was so tremendous, this proposal was utterly impracticable.

An indication of the probable cost is shown by the experiment with the Boston and Maine Railroad. This road was given a subsidy of over $2 million a year for passenger service, in return for which it agreed to run more trains and charge lower fares. The number of former highway users who are now using that train service is too inconsequential to affect traffic congestion, and yet that subsidy is costing taxpayers about $1 a day for each passenger being carried under the subsidy program.

On March 7, 1963, I made a statement in the Senate on the subject of sound fiscal policies. I pointed out that we can expect a deficit this year of $10 to $12 billion without a tax cut, and that the President has proposed a tax cut which would reduce the Government's income by some $10 billion. I indicated my opposition to the proposed tax cut because of the deficit we are already experiencing, and I suggested ways for the

President to save some $6 billion from the 1964 budget. Elimination of the proposed urban mass transportation program from the 1964 budget was one of my suggestions.

I can well understand why any man would prefer to live in the country rather than in a city like New York. Some years ago, I had an offer of employment in New York which would have paid me three times what I had ever earned in my life. But there was not enough money in all the banks in New York to induce me to leave the shadows of the Blue Ridge Mountains in which I had been reared and to give up the hunting and fishing which I enjoyed from my boyhood days.

Naturally, thousands of those who work in the city would prefer to live in the country. But there is no cheap or easy way for them to get means of transportation which would be both comfortable and quick. Why should the taxpayers of the Nation furnish billions of dollars to provide transportation to people who want to live in the country and work in the city? The answer, of course, is that they should not.

II

This vast new program is one more step in the process of transferring all power and all authority to the Federal Government, and eliminating all State and local power and authority.

Under the bill, Federal aid would be advanced directly to localities and the States would be bypassed. Federal intervention in local affairs would be greatly broadened. To begin with, Federal control over local mass transit systems, including schedules of transit fares, would be increased. And Federal control over all urban development would be a prerequisite to any aid under the bill. Section 4 of the bill provides that Federal aid can be provided only if "the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area."

Federal money brings Federal control. This is the case with Federal programs. Federal loans to college students brought with it a statutory requirement of a loyalty oath. This has since been removed, by congressional action, after strong protests from many of the Nation's leading colleges and universities. Federal participation in FHA and VA mortgage insurance has brought with it a requirement, not based on statute but only on a Presidential decree, relating to the use and disposition of such housing. Some of us disliked the educational loyalty oath. Some of us dislike the housing Executive order. But everyone, whether they like or dislike the particular form of Federal control involved, must recognize that Federal controls go along with Federal funds.

State highway departments, State unemployment insurance agencies, and other State agencies subsidized by the Federal Government will bear witness to the fact that Federal controls accompany Federal money.

It is inevitable for Federal funds to bring Federal control, to the extent necessary to make sure that the Federal funds are, in fact, being spent for the purposes intended. And human nature being what it is, there will always be added pressure to use Federal funds appropriated for one purpose to help in carrying out some other unrelated purpose. As an example of this, I need only remind Senators of the use of Federal procurement and the Federal contracting authority to establish set-asides to help small business—here at least there was a statute authorizing this—to help relieve unemployment and to aid depressed areas, and to change employment practices. In fact, rumor even tells us that the Federal procurement powers, and other equally flexible powers, were used to force reduction of steel prices and to encourage contributions of drugs for Cuba.

The only way to avoid Federal control which inevitably accompanies Federal funds is not to start a Federal program.

III

The bill would finance both the grant program and the lending program through forms of back-door financing.

On this ground alone I would oppose the bill, regardless of any of the other provisions.

The bill extends the existing loan program now operating with the benefit of a $50 million borrowing authority.

The Administrator would be given authority to sign contracts committing the Government for the $500 million grant program. In other words, the Administrator would have a free hand to write contracts providing for these grants in advance of any appropriations. The appropriations committees would have no alternative but to grant the appropriations necessary to carry out these contracts, because the bill expressly pledges the faith of the United States to their payment.

Back door financing raises serious constitutional questions. In addition, it is, in my judgment, extremely poor practice. When Congress authorizes a huge spending program, the funds necessary should be provided by annual appropriations. This not only has the advantage of giving Congress a yearly review of what has been accomplished and what is expected to be done in the coming year; it also puts the public on notice as to the effect of the spending on the budget and the national debt. Projects financed by back door financing add to the annual deficit and the national debt just as much as projects financed by the appropriations process, but Congress has lost control.

IV

The bill is loosely drawn, ignoring the recommendations of the Comptroller General designed to prevent waste of funds.

The Comptroller General's letter—hearings, pages 40 to 45, 484—lists many respects in which he considers the bill deficient in providing protection to the Federal Government. For example, the Comptroller General points out—hearings, page 41—that if the administration's concept of the method of financing is fully implemented, "most projects will receive Federal and non-Federal grants equal to nearly 100 percent of a project cost."

The Comptroller General also recommended—hearings, page 43—that the bill should contain requirements for legally enforceable commitments for local grant contributions and appropriate controls to protect the Federal Government's interest in the event of default or failure to complete a project. On numerous occasions, the Comptroller General has made similar recommendations and has pointed out the results of not getting such provisions—Comptroller General's annual report for fiscal year 1962, page 192; report to the Congress dated April 13, 1962, B-118754; report to the Congress dated October 31, 1962, B-118754.

The Comptroller General has also recommended—hearings, page 44—that the bill should be amended to make it clear that the HHFA's determination as to its own administrative expenses should not be final, but should be subject to audit and settlement by the Comptroller General in accordance with the Budget and Accounting Act, 1921, and the Budget and Accounting Procedures Act of 1950.

V

The bill contains new and untested labor-management provisions, in an attempt to alleviate the unfortunate results of this program to transit employees.

This huge new Federal program is likely to result in the development and use of automated equipment which might throw hundreds or thousands of workers out of their jobs. The program is also likely—in fact it seems to be designed—to encourage municipalities to take over private transportation systems. Employees of such systems would become Government employees and, in many States, would no longer have some or all of the benefits of collective bargaining.

The Labor Department has submitted a proposal to meet these problems. The unions have submitted a counter proposal. The bill attempts to reconcile the proposals of the Labor Department and the unions. The views of the private transportation systems and the municipalities which would be affected by these proposals have not been obtained on any of these proposals.

This is, in my opinion, an illustration of the kinds of problems which we can expect when the Federal Government undertakes a vast new program in fields which are now handled by State and local governments.

In my judgment, this is a matter which should be carefully considered by the Committee on Labor and Public Welfare. But whether or not the bill is referred to another committee, I am opposed to it for the reasons given above.

The general subject of Federal subsidies has been studied by the Virginia Commission on Constitutional Government, of which David J. Mays, a great

constitutional lawyer, is chairman, and James L. Kilpatrick, one of the outstanding editors of the Nation, is chairman of publications. That commission recently issued a brochure entitled "Federal Subsidies—The Facts and the Fiction," in which it recommended a calm appraisal, on its merits, of each new proposal for a Federal subsidy. Mr. President, I ask unanimous consent that the entire text of that brochure be printed in the RECORD at this time.

There being no objection, the brochure was ordered to be printed in the RECORD, as follows:

FEDERAL SUBSIDIES—THE FACTS AND THE FICTION

In selecting a title for this paper, the Virginia Commission on Constitutional Government has purposely given preference to the term, "Federal subsidies," over the more commonly used term, "Federal grants-in-aid." We believe that the commonly used term is misleading, because the word "grant" implies a gift. The implication is erroneous in this instance. Furthermore, the word "aid" implies that the grantor is in a superior position, offering gratuitous assistance to some needy individual or institution. That implication, also, is erroneous in this instance. Thus we have selected the term "Federal subsidies" as more accurately describing the subject to be discussed.

Reduced to its simplest terms, a Federal subsidy originates and operates in the following manner. A Member of Congress, or a member of the administration, decides that a specified service is a desirable one and that a law establishing a program to provide the service should be enacted. A case in point is the Vaccination Assistance Act of 1962, which is supposed to provide immunization against polio, diphtheria, whooping cough, and tetanus. Congressman OREN HARRIS, of Arkansas, was of the opinion that such a program would be advantageous to the people of the United States. Presumably, he examined existing legislation in the 50 States, and concluded that it was inadequate. He, therefore, introduced a bill, H.R. 10541, that would authorize subsidies to States or localities planning immunization programs. The bill was debated briefly in the House of Representatives, with only 60-odd Members present, and passed July 26, 1962, on a voice vote. Several Members of the House made the point that passage of the bill would inject the Federal Government into an area of activity that properly should be reserved to the States and the local governments, but their arguments were in vain.[1]

The bill went to the Senate where it was approved without a hearing by the Senate Committee on Labor and Public Welfare. It was passed by the Senate on a voice vote, without debate, on October 4, 1962. On October 23, 1962, the President signed the bill authorizing $36 million to be distributed to States and localities by the U.S. Surgeon General during the next 3 years.

This is a fair example of how a Federal subsidy comes into existence. A need is asserted (usually for a very worthwhile purpose), a law is passed, and the money becomes available from the Federal Treasury.

WHO PAYS?

In the rush to accomplish this worthwhile objective, a number of important, and in some cases controlling, factors are overlooked. The most obvious error is the failure on the part of many legislators and administrators to observe that the money to finance the program must come from the people of the United States. Yet this is the most easily observable principle in all of Government: if the Federal Government is to subsidize a program, the taxpayers of the Nation must put the money in the Federal Treasury for that purpose. If the United States is to have a $36 million federally subsidized vaccination program, the people of the United States must pay to Uncle Sam $36 million in taxes, in addition to what they are now paying.

A related and similarly overlooked fact is that the people frequently have to pay additional State and local taxes in order to receive the Federal subsidies for which they have already been taxed at the Federal level. The reason is that two-thirds of all Federal subsidies are available only on what is called a matching basis. This means that State and local governments have to put up some specified percentage of their own funds in order to receive the subsidy from the Federal Government. But the taxpayer who provides funds for State and local governments is the same taxpayer who provides funds for the Federal Government, so the people actually have to pay increased State and local taxes in order to receive Federal subsidies that they were taxed to provide.

These are matters affecting the pocketbook, and they are not trifling matters. In 1960 total expenses of these subsidy programs amounted to $12 billion, or $66 for every man, woman and child in this Nation. For an average family of four, that means yearly taxes in the amount of $264 to maintain Federal subsidies and the matching funds required to receive these subsidies.

A BROADER TAX BASE

A second obvious error is the belief that the Federal Government is better situated financially to initiate and maintain these programs than are the States and localities. One frequently hears proponents of Federal subsidies maintain that the Federal Government has a broader taxing base than State and local governments. This argument is at best misleading. The States have basically the same tax resources that are available to the Federal Government. As a matter of fact, the States had power to levy direct taxes on income, the primary source of Government revenue, long before the Federal Government was given that power. The sales tax, real estate tax, personal property tax and other taxes of less general use and acceptance are all available to State and local governments. There are some taxes used by the Federal Government that are not employed by State and local governments, and vice versa, but this does not justify the statement that the Federal Government has a broader taxing power than the States and local governments.

It quite possibly would be accurate to say that the Federal Government can more easily increase taxes than can State and local governments. This appears to be true, since the Federal Government now collects income taxes ranging from 20 percent to 91 percent of net income, while State governments, with the same taxing capability, have limited their income taxes generally to the 1 percent to 10 percent range. The reason for this would seem to be that the State governments are close to the people and are more sensitive to the popular demand for economy, while the Federal Government with its gigantic bureaus is separated from the people by long distances and by massive tangles of red-tape.

Accordingly, it may be suggested that the "superior taxing power" of the Federal Government rests not upon a broader tax base, but upon the Federal Government's ability to increase taxes with relative impunity.[2] Phrased in another manner, the Congress is less subject to control of the people than are State and local governments. Do the proponents of Federal subsidies really mean that such spending programs should be passed upon by the legislative body that is least responsible to the people? Such a proposition would have found little support among the founders of this country, and should find little support among our people today.

SUPERIOR BORROWING POSITION

A related argument in favor of Federal subsidies is that the Federal Government occupies a borrowing position superior to that of the States and local governments. On close analysis, this argument falls of its own weight. The Federal indebtedness as of June 30, 1961, amounted to $289 billion. This sum is equivalent to 67.2 percent of national income. State debt is only 4.7 percent, and local debt is only 12.8 percent, of national income. Since 1932, the Federal debt has increased about four times as rapidly as State and local debt combined. In the decade from 1952 through 1961, the States as a whole showed surpluses of revenue over expenditure in 6 of the 10 years, with an overall deficit of only $300 million for the period. The Federal Government showed surpluses in only 3 of the 10 years, with an overall deficit of more than $35 billion. As a rule State and local governments make provision for the systematic repayment of their debt obligations. The failure of the Federal Government to make such provisions may go far in explaining our huge Federal debt.

As of June 30, 1961, States and local governments had made loans to the Federal Government totaling $18.7 billion. Far from being in a superior borrowing position, it is apparent that the Federal Government actually is in a borrowing position inferior to that of the States and the local governments.[3]

INEQUITABLE DISTRIBUTION

Proponents of the many Federal subsidy programs have promoted the idea that these subsidies result in an equitable distribution of tax funds. Nothing could be further from the truth. For example, Federal subsidies returned to the State of Delaware during 1959 amounted to only 40 cents per dollar of taxes paid by Delaware citizens in

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[1] Representative Durno, of Oregon, who is also a doctor, had this to say: "I think this is a continuing program, or it will be, and if the Congress proposes to adopt this kind of a program, it should be continuing. I think it is going to be an expansive program which is going to involve a lot more diseases. I don't think that it is the dollars in this bill or the medicine in this bill that is the answer. I think the answer is a continuation and an acceleration and an extension of the program of public health, and those public programs should originate at the county level and at the State level more than at the Federal level" (CONGRESSIONAL RECORD, vol. 108, pt. 9, pp. 11744–11745).

Representative MARTIN, of Nebraska, noted that he had sent a questionnaire on this matter to his constituents and that 73 percent of the replies were in opposition to an appropriation of Federal money for this program (CONGRESSIONAL RECORD, vol. 108, pt. 9, pp. 11743–11744).

Representative DOMINICK, of Colorado, said, "For the life of me, I cannot understand why it is necessary for the Federal Government to get into this realm." He then entered in the CONGRESSIONAL RECORD an article from the Denver Post which related in detail the plan that had been developed and used successfully in that locality, without Federal assistance (CONGRESSIONAL RECORD, vol. 108, pt. 9, pp. 117444–11745).

[2] In 1961, 67 percent of all taxes collected in the United States went into the Federal Treasury. The States received only 16 cents and the local governments only 17 cents of each tax dollar.

[3] See the appendix at the end of this paper for the figures upon which the comparisons of this section are based.

support of the subsidy programs. The taxpayer in Mississippi received $4.18 for the dollar that he paid for the same purpose. The taxpayer in Connecticut received only 43 cents for his dollar, while the taxpayer in Arkansas received $3.35. A comparable situation exists in other States: The citizen of New Jersey receives 44 cents for his dollar; in New Mexico, the citizen receives $2.97 for each dollar. The New Jersey Taxpayer reports that in 1960 that State lost $143.1 million through Federal taxes that were spent for subsidies to other States. Pennsylvania lost $125.6 million; New York lost $206.5 million; Virginia lost $6.3 million. Some States, of course, showed a profit at the expense of the others. All things considered, it would be rather difficult to devise a more inequitable system of tax distribution.

FEDERAL CONTROL

One of the greatest illusions perpetrated by proponents of Federal subsidies is that control over the expenditure of funds is left in the hands of the States and localities concerned. While it would appear practical for control of the subsidy programs to be vested in those governments closest to the people and most closely connected with the operation of the programs, this is not the case at all. To the contrary, it is a fact that regulation by Congress and by Federal administrative agencies is a normal incident of each subsidy program. This regulation extends to policy and operation questions, as well as to financial considerations.

The result is that both the States and the local governments are rapidly becoming subordinate units of the Federal Government. Programs of a purely local nature, financed by taxes collected from the people in the locality, are in effect operated and controlled by the Federal Government in Washington.

A recent case from Ohio will serve to illustrate the point. In that State, employers had paid to the Federal Government $30 million in taxes for the administration of an unemployment compensation program. Of this amount, $17 million was to be returned to the State for the purpose of making unemployment compensation payments to qualified persons in Ohio. The Federal Department of Labor threatened to withhold the $17 million from the State of Ohio pending that State's adoption of two procedural rules. The money in question had been collected from Ohio. It was to be spent in Ohio by an administrative agency of that State. The program under which the money was to be distributed had been approved by the Ohio courts. Ohio's unemployment compensation administration had been in operation for over 22 years and in the last 5 years alone had handled 95,684 cases without a complaint. Yet the Federal Department of Labor proposed to penalize the State of Ohio $17 million for failure to comply with federally established regulations for the distribution of this money. It is quite apparent that State and local governments are not left free to establish programs they believe proper with Federal subsidies. To the contrary, it appears that Federal regulation of an essential function touches upon its most minute detail and in at least some cases operates to the detriment of the people affected.

It is common knowledge, of course, that in urban renewal programs, Federal regulations touch upon virtually all areas of activity, including wages, hours of work, public housing, and a great many other items.

The area of farm subsidies is now so tangled and chaotic that it is difficult even for Members of Congress to understand what is taking place, but one thing is certain: The farmer is subjected to more Federal regulation in practically every area of his enterprise than he has ever been subjected to before.

In public welfare programs, where Federal subsidies play an all-important role, a summary and analysis of Federal-State regulations covers over 250 pages. A summary of Federal laws regulating urban renewal covers 62 pages.

In speaking against a proposed program of Federal subsidies for colleges and universities, John A. Howard, president of Rockford College, Ill., is quoted as saying, "Any legislation which gives money away must have some restrictions to insure that the money is spent for the intended purpose." Furthermore, if the program is adopted, "the Federal Government, which proposes to underwrite a third of the cost of construction and provide substantial scholarships to students, will become in one congressional vote the largest single customer of all private colleges and a substantial customer of all public ones."

THE FEDERAL GOVERNMENT MUST ACT

Surely the most harmful and the most deceptive argument used in favor of Federal subsidies is typified in the statement, "The Federal Government must perform those functions that the State and local governments will not perform." This statement and its several variations are directly contrary to the U.S. Constitution, for they mean that any State power not used, or, in the opinion of the Federal Government, improperly used by a State, is conferred upon the Federal Government. The 10th amendment to the Constitution provides to the contrary, that 'The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." If a State legislature considers, for example, a State vaccination act, and passes such an act, this is perfectly proper. On the other hand, if a State legislature rejects such an act or fails to consider such an act, this does not confer on the Federal Government power to consider a vaccination act for all the States. As a matter of fact, the Constitution implicitly denies such a power in the Federal Government, though the Supreme Court has in recent years held to the contrary.

One of the basic purposes of the Fathers of this Nation in establishing a Union that left the States free to handle their internal problems was to permit a diversity of experiment on the proper solution of complex problems. Thus in the prevention of contageous diseases, New York might decide that a statewide voluntary public vaccination program offers the best chance for success. Oregon might decide that each town, city, or county should be left free to establish its own program. Arizona might determine that people uncoerced by State pressure, and free of taxes to support such State programs, could best care for their own needs. If one plan proved better than the others, and equally suitable to most areas of the country, presumably that plan would be adopted by most States. Perhaps different plans would have varying appeal to different areas of the country. And if one plan proved detrimental to the interests of the people, that plan would be avoided, and its ill effects confined to the State that had attempted it. But with federally subsidized programs covering the entire Nation, the opportunity for experiment is curtailed, and we are reduced to an all-or-nothing situation. This is a far cry from Supreme Court Justice Harlan's observation that one of the great strengths of our Federal system of government is that we have in the 50 States 50 separate laboratories for social experiment.

Another basic purpose accomplished by reserving to the States the power to deal with their internal problems was the keeping of government as close to the people as possible. It was believed by the authors of our Constitution that the creation of an all-powerful Central Government would lead to restrictions on the liberty of the people. With this in mind, the Central Government was given power to act only in those cases when it was necessary or extraordinarily desirable for all the States to act as a single unit. With extreme caution, the powers to be exercised by the Central Government were expressly set forth in the Constitution, and the Congress was given power to do those things necessary and proper to give effect to the expressly enumerated powers. Those powers not given the Central Government were reserved to the States, and the authors of our Constitution went so far as to have this basic principle explicitly stated in the 10th amendment. In this manner they guaranteed, or thought they guaranteed, for all times that all functions of government except those specifically delegated in the Constitution should be performed by those bodies of government closest to the people, the States. Jefferson, Madison, and those other authors of liberty as we have known it understood that government kept close under the watchful eyes of the people is good government; they knew that an all-powerful Central Government far from the watchful eyes of the people could become careless, incautious in the expenditure of public money, and unjust.

A POWERFUL HAND

Today the Federal Government, by managing more than 90 Federal subsidy programs accounting for the expenditure of $12 billion, is extending a powerful hand into the affairs of all the States, all the local governments, and every citizen in this country. Power feeds upon power, and the staggering growth of the subsidy programs in the last few decades attests to the increased power of the Federal Government over our day-to-day lives. "A power over a man's subsistence amounts to a power over his will." [4]

The commission does not maintain that all Federal subsidies are unnecessary and without constitutional justification. Some of these programs clearly fall within a proper interpretation of the power of Congress to maintain armies and navies, or within other powers delegated to the Federal Government by the Constitution. But a great number of the subsidy programs, costing billions of dollars in tax funds each year, do not fall within any power granted to the Federal Government, and many improper programs are proposed each year. The inevitable result of continued expansion of Federal power in this field is the creation of an all-powerful Central Government that substantially controls the life of each citizen.

The waste, inefficiency and corruption found in many of the subsidy programs only emphasize the need for change. Practically every day brings a new report of wasted welfare payments, scandal in agricultural subsidies, or questionable dealings in urban renewal projects. As we surrender more of our freedom to high Federal taxes, we receive in return more waste, inefficiency and corruption. The situation is not improved by the fact that our Government officials may be making their best effort—if the program itself is faulty honest administration cannot cure the defect.

A FIRST STEP

As a first step toward solution of this difficult problem, the commission recommends that all citizens and their representatives in Government calmly consider on its merits each new proposal for a Federal subsidy. Any proposed Federal subsidy concerning a matter that can be solved within the framework of city, county, or State government should be rejected. Furthermore, any proposed program that does not reasonably fall within one of the powers delegated by

[4] The Federalist No. 79, at 497 (Wright ed. 1961) (Hamilton) (italics in original).

the Constitution to the Federal Government should be rejected. If this is done and done faithfully, the normal course of events will bring about a reexamination of the more unnecessary existing subsidy programs. The industrial States of the North and Midwest will begin to understand that by a balanced program for reducing Federal subsidies they can actually improve their State programs and at the same time reduce the tax burden on their citizens. And perhaps it is not too much to expect that the Federal Government, as it is partially relieved of the expensive subsidy burden, may relieve the taxpayer of a portion of his burden.

MARCH 1963.

APPENDIX

Figures relating to comparison of the relative debt position of Federal, State, and local governments; latest comparisons are for the year 1961:

	Billion
National income for 1961	[1] $430.2
Federal debt in 1932	[2] 19.5
Federal debt in 1961	[2] 289.0
State debt in 1932	[3] 2.8
State debt in 1961	[4] 20.0
Local debt in 1932	[3] 16.4
Local debt in 1961	[4] 55.0

State surpluses (+) and deficits (−) of general revenue over expenditure, 1952–61: [5]

	Billion
1952	+$1.0
1953	+1.1
1954	+.1
1955	−.7
1956	+.5
1957	+.4
1958	−1.9
1959	−1.9
1960	+1.2
1961	−.1

Federal surpluses (+) and deficits (−), 1952–61 [6] (excluding trust funds):

	Billion
1952	−$4.0
1953	−9.4
1954	−3.1
1955	−4.2
1956	+1.6
1957	+1.6
1958	−2.8
1959	−12.4
1960	+1.2
1961	−3.9

State and local governments held $18.7 billion in securities issued by the Federal Government as of June 30, 1961.[7]

[1] Statistical Abstract of the United States for 1962, p. 312.

[2] Annual report of the Secretary of the Treasury for the fiscal year ended June 30, 1962, p. 380.

[3] Historical Statistics of the United States, U.S. Bureau of the Census, pp. 728–730.

[4] Summary of Governmental Finances for 1961, U.S. Bureau of the Census, p. 24.

[5] Compendium of State Government Finances in 1961, U.S. Bureau of the Census, p. 1.

[6] Annual Report of the Secretary of the Treasury for the Fiscal Year Ended June 30, 1961, p. 415.

[7] Id at p. 98.

Mr. DOMINICK. Mr. President, as a member of the Committee on Banking and Currency, it seems to me that I should make a statement concerning my objections to the mass transportation bill. There appear to be numerous objections, and they have been rather clearly outlined, it seems to me, by the Senator from Texas [Mr. TOWER], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Virginia Mr. [ROBERTSON].

However, there are two main objections which I believe deserve emphasis. The first involves the statement of the Senator from Virginia the other day that there will be available for expenditure in the next fiscal year $195 billion, an inconceivable sum, if all of this administration's recommendations are added to existing but unexpended appropriations.

In this statement the Senator from Virginia also indicated that the deficit for fiscal 1964, if the proposed tax cut becomes effective, will be $15 to $18 billion, the largest in our peacetime history.

How can we, as responsible representatives of the people, obligate our constituents to an initial charge of $500 million, as anticipated in the pending bill, and to a program which over the years will undoubtedly cost about $10 billion before it is concluded?

To find proof of this latter computation, all we need do is to look at the recent San Francisco private effort, in which a bond issue of $792 million was authorized by the voters for this one area. We can also look at the majority report of the Committee on Banking and Currency, which states:

> It would be a mistake to conclude that mass transportation is a problem of concern only to larger areas.
>
> The American Transit Association, however, estimates that there are about 70 cities of 25,000 population or more which have no public transportation service at all.
>
> The proposed Federal program is designed to help assist in the solution of mass transportation problems wherever they occur in large cities or in small ones.

It seems to me that this is definite proof that the purpose and the intent of the proposed program is to go far beyond the initial $500 million which is presented in the pending bill.

The other major objection, which I believe is of great importance, is the uncontrolled authority which is given to the Federal Administrator to spend these enormous sums of money wherever he may decide in his discretion is best, and in local areas not generally considered as a Federal responsibility. This will create a race for influence with the Administrator, as well as a deterrent to local initiative, both of which could be sharply harmful to the integrity of governmental service, to the growth of local responsible government, and another detriment to economic growth and planning.

As I said in my additional views, printed in the report of the Committee on Banking and Currency, and in summary of my objections, at a time of serious national fiscal problems, it is unwise to thrust down the throats of the taxpayers a bill which, first, gives uncontrolled power to an Administrator to spend $500 million without congressional supervision; second, is opposed in its present form by responsible business and labor groups; third, will be only the beginning in an enormously expensive program as evidenced by the fact that San Francisco alone has obligated its own citizens to spend more than $792 million; fourth, fails to meet legal and logical objections of the General Accounting Office; fifth, fails to recognize far more constructive approaches to the problem; sixth, results in the Government borrowing money at relatively high interest rates while distributing the funds without interest; and, seventh, injects the Federal Government directly into local municipal governmental affairs.

Mr. President, it seems to me that this is an unwise move for us to make at this time.

Mr. LAUSCHE. Mr. President, I send to the desk an amendment in the nature of a substitute for Senate bill 6.

I also send two other amendments to the desk to the same bill, S .6.

The PRESIDING OFFICER (Mr. EDMONDSON in the chair). The amendments will be received and printed, and will lie on the table.

Mr. CANNON. Mr. President, pursuant to the order of the Senate of March 14, 1963, the Committee on Commerce considered the bill, S. 6, as reported by the Committee on Banking and Currency and as discussed heretofore.

The Subcommittee on Surface Transportation held hearings for several days. During these hearings certain amendments were developed which we propose to offer later insofar as S. 6 is concerned. We believe they will meet a number of objections that have been discussed on the floor of the Senate and which seem, to the members of the Committee on Commerce, to be advisable in order to report a bill which will meet the needs that are evident, insofar as this general program of mass transportation is concerned, and which will, at the same time, provide adequate safeguards insofar as Government participation is concerned.

The proposals which the Committee on Commerce will offer in the nature of a substitute bill are five in number. They will achieve the following objectives:

The first amendment relates to the method of financing as proposed in the initial form of S. 6. The first amendment proposed by the Committee on Commerce would provide for an authorization and an apporpriation in an attempt to get away from the so-called backdoor spending provision which S. 6 now appears to provide.

It will be noted that S. 6 contains a specific money figure, on the assumption that the Administrator can enter into a contract once he has the authority under the bill, and could limit the amount to $12.5 million for any one State as a maximum figure during the first year. In view of the fact that the proposed amendment to be offered by the Committee on Commerce will require a direct appropriation, and the appropriation may be less than the authorized contractual authority granted the Administrator, we propose to change the $12.5 million to a limit of 12½ percent.

Therefore, if the appropriation is less than that requested, the maximum authorization would still be limited to the 12½ percent figure.

Proposed amendment No. 2 to S. 6 would require the Administrator to consult with the Chairman of the Interstate Commerce Commission with respect to projects affecting interstate transportation, and further requires the Administrator and the Chairman of the Interstate Commerce Commission to exchange

information, and otherwise to cooperate with respect to such projects.

This comes about by reason of the fact that a number of projects obviously will involve interstate transportation as well as intrastate transportation in attempting to resolve this very serious problem of mass transportation.

Our proposed amendment No. 3 would provide, that the applicant would operate in accordance with the presentation made by the local authority. If, after a grant shall have been authorized with respect to that project, a change were effected in the rate schedule, a change which the Administrator determined would substantially reduce the revenues from the project and lessen the chances for economically sound operation, the recipient would be notified. Thereafter, the Administrator would not be authorized to extend any assistance under any law administered by the Housing and Home Finance Agency, except assistance pursuant to a commitment entered into prior to such notice.

This limitation would effectively eliminate further financing, in whole or in part, of any project to be undertaken in that area, under such authority, until the Administrator determined that the schedules by the local operator had been revised or other action had been taken so as to permit an economically sound operation.

This limitation would discourage a municipality or other public body from making a presentation to the Administrator in order to get assistance, and then taking action which would result in an uneconomical operation, which would, of course, be a detriment to this kind of program and a detriment to the agency concerned. If such action were taken without local assistance being given to make up for such inefficient or uneconomical operation, future aid would be withheld.

Mr. DOMINICK. Mr. President, will the Senator from Nevada yield?

Mr. CANNON. I yield to the Senator from Colorado.

Mr. DOMINICK. I have some question about this particular amendment. Most of the mass transit bodies that I know of have their rates determined and fixed by a State public utility commission. As I understand the proposed amendment, it would, at least indirectly, give the Administrator a power of veto over what the public utility commission in a State could do. The Administrator could simply say, "The public utility commission may have authorized the rates, but we do not believe the rates are correct; therefore, we will not provide any more Federal grants or loans."

Mr. CANNON. I am happy to respond to the Senator from Colorado on that point. If he will notice, the amendment is specifically directed toward a change which might occur after a grant or loan had been made. In other words, in order to get assistance, an applicant must apply to the Administrator and say, "This is what we proposed to do in the way of service; this is the rate structure we propose to put into effect." On that basis the Administrator would then be able to grant the relief requested, whether in the form of a loan or a direct grant, under the substitute bill proposed by the Committee on Commerce.

Then, if at a later date the local body made a change, a change which would make the operation of the operating agency uneconomical, the Administrator would be authorized to withhold further aid under these types of programs.

Mr. DOMINICK. I understand that; but this is the specific thing about which I am concerned: Suppose a body submits a rate upon which a loan or a grant is made, and it goes into operation. Then suppose it finds, or thinks it has found, a method by which it can increase its revenues. The operator then goes before the public utility commission and gets approval of a new rate structure.

The Administrator, in his own discretion, determines that the new rate will have just the reverse effect, so he says to the operator, "If you go through with this change, we will not provide any more Federal loans or grants." In effect, the Administrator thus has the right of veto of a rate schedule which has been approved by the public utilities commission.

Mr. CANNON. The Administrator does not automatically disapprove a rate or notify a recipient if any kind of change is made. The Senator will notice the language provides:

> If, at any time after the making of such grant with respect to such project, a change is effected in such schedule which the Administrator determines will substantially reduce revenues from the project and lessen the chances for an economically sound operation, he shall so notify the recipient of such grant.

Let us suppose an operating agency tries to reduce rates and gets approval from the local governing body to put the new rates into effect. He would not necessarily be notified immediately by the Administrator. I am sure the Administrator would give the operating agency, if it thought the change in rates would improve its posture so far as overall revenues were concerned, a chance to operate and see whether the new rates were more economically sound. If they turned out not to be sound, and simply reduced operating revenues, then the Administrator would be in a position to notify the recipient of the grant that he was giving them an opportunity to take corrective action. If the operating agency did not take corrective action, then the Administrator would be authorized not to extend any assistance under any law administered by the Housing and Home Finance Agency, except in pursuance of a commitment which had already been made.

Mr. DOMINICK. I really do not intend to get into a debate on this question. I merely point out that the wording of the amendment gives the Administrator the sole discretion to decide whether some operation is proving uneconomical or not. There is no after-the-fact decision on the basis of actual operation. What the Senator from Nevada is saying is that the Administrator makes the determination whether a certain rate will substantially reduce revenues. The point I make is that this authority in effect gives the Administrator a veto over what a public utility commission does.

Mr. CANNON. I cannot agree with the conclusion of the Senator. I point out, further, that the local operating agency has to appear before the Administrator and make a representation, and on the basis of that representation would be given assistance. We are simply trying to insure, by the amendment, that once the assistance has been received, the operator cannot arbitrarily and indiscriminately change the position which it represented to the Administrator it was going to carry out. If the position is changed, then the Administrator is authorized to withhold further aid, except so far as aid may already have been committed.

Mr. SPARKMAN. Mr. President, will the Senator from Nevada yield?

Mr. CANNON. I am very happy to yield to the Senator from Alabama.

Mr. SPARKMAN. In that connection, I notice in the report the statement by the Committee on Commerce, on page 10.

> By "projects" your committee is referring to area programs involving a local government or agency thereof.

I realize that that would include programs such as urban renewal, public housing, and projects of that type. Is my understanding correct?

Mr. CANNON. The Senator is correct, so far as urban renewal projects are concerned.

Mr. SPARKMAN. These are projects which would be sponsored by political subdivisions. I want to be certain that one other program administered by the HHFA is not included. It seems to me that the committee does not intend to include it. That is the college housing program.

Ordinarily, college housing would not be connected with cities or political subdivisions. It is possible that it could be, but I would certainly want it understood that college housing—dormitories and buildings of that kind, intended for colleges—would not be interfered with.

Mr. CANNON. I assure the Senator from Alabama that it is certainly not the intention of the committee to include the college housing program in this particular provision.

In regard to the first part of the Senator's question, I direct his attention to this part of the committee report:

> If corrective action (which might involve various forms of relief including a direct local subsidy) is not taken, the Administrator shall cut off all future assistance administered by the HHFA (except pursuant to prior commitments) for projects in the area involved.

In that connection, I emphasize the words "except pursuant to prior commitments," because I think they would cover urban transit plans.

In any event, college housing would be omitted.

Mr. SPARKMAN. I am glad to have that statement.

Mr. CANNON. And that is the intention.

Mr. DOMINICK. Mr. President, will the Senator from Nevada yield?

Mr. CANNON. I yield.

Mr. DOMINICK. From this colloquy between the Senator from Nevada and the Senator from Alabama, do I correctly understand that if a transit plan is in jeopardy because of a change in rates, the Administrator would then notify the HHFA not only to cut off all loans to the transit body, but also to cut off all other Federal administrative programs which might be going on in that whole area?

Mr. CANNON. The Senator from Colorado is correct in part. For projects which have not been commenced "the Administrator shall cut off all future assistance administered by the HHFA (except pursuant to prior commitments) for projects in the area involved."

Mr. DOMINICK. In other words, if the transit body does something the Administrator does not like, the area will be blackballed?

Mr. CANNON. No; that is not correct. The Administrator must adhere to specific guidelines, rather than simply oppose something he does not like.

In that connection I point out the following language:

However, should the schedule of fares be so altered after the grant has been received, and the Administrator finds that the transit system will not thereafter be able to operate on a sound economic basis—

That would be after the fact, rather than before—

then the Administrator would so notify the recipient of the grant.

The grant is made only on the basis of representations which have been made to the Administrator by the local transit body. If it changes its mind and proceeds to take action which makes the operation uneconomical, as defined herein, then the Administrator would take the action outlined in the proposed amendment.

Mr. DOMINICK. But the effect of the action would be to cut off all aid to programs under the HHFA?

Mr. CANNON. Well, as I pointed out to the Senator from Alabama, that is not quite correct.

Unless corrective action is taken at the local level, it is intended to cut off all future assistance administered by the HHFA. But, as I indicated, it is not intended to cut off college housing or FHA guarantees or things of that nature.

Insofar as the proposed fourth amendment is concerned, Mr. President, it provides that:

(c) No Federal assistance under this act shall be extended to any State or local public body or agency thereof to assist any private mass transportation company unless the Administrator is assured that the State or States and the local public bodies or agencies thereof in the area covered by a proposed project have afforded the company every feasible relief, compatible with their own fiscal responsibilities, including, but not necessarily limited to, relinquishment of real property taxes, personal property taxes and franchise taxes; and no grant or loan shall be made under this section to any State or local public body or agency thereof to assist a public mass transportation company or any division or segment of its operations when one or more other divisions or segments are operating profitably unless the Administrator is assured that the transfer of funds from one division or segment to another would not be compatible with the maintenance of a coordinated mass transportation system in the area covered by the proposed project.

One reason for that amendment is that the Chairman of the Interstate Commerce Commission testified at great length before our subcommittee concerning a case which was considered by that body over a 3-year period—from 1956 until 1959. The findings in the case indicated nine specific areas in which relief could and should be given, in order to try to resolve the mass transportation problems or the general transportation problems, insofar as public transportation is concerned. It was obvious to the members of our subcommittee and to the members of the full committee that in many instances local bodies were in difficulty with their mass transportation systems, and yet had not provided relief such as was recommended in the case to which I have referred; for example, relinquishment of franchise taxes or the relinquishment of real property taxes or personal property taxes.

It was the feeling of the full committee, I believe, and certainly it was the feeling of the subcommittee, that an attempt should first be made to try to solve the problem at the local level—as was stated today here on the floor. In other words, the local bodies should first try to do the job themselves. With that, we are in accord.

I do not personally agree with some of the Senators who have spoken today, in that I do not believe that the local bodies can always solve the problem. In some instances, they cannot. But this amendment is an attempt to write into law a provision requiring them first to try to solve the problem at the local level, by granting such relief as had been recommended by the Interstate Commerce Commission and by many other experts in this field, in order to try to assist in solving the problem at the local level.

The fifth amendment, as proposed, is the so-called guaranteed-loan provision. We had before us and under consideration a bill introduced by the distinguished Senator from Ohio [Mr. LAUSCHE]. It was along the lines of a bill introduced last year by the distinguished Senator from California [Mr. ENGLE]. The purpose of the bill was to try to solve this problem through federally guaranteed loans.

I think it is obvious that if the local agencies can solve their problem through the guaranteed-loan provision, that would be more desirable. As a result, the committee has proposed an amendment which would authorize the Federal Government to guarantee loans of the public body, up to an amount not to exceed $500 million, as set forth in the amendment. Of course this is only a contingent liability. In the amendment we have provided for one-fourth of 1 percent as a reserve, which should build up over a period of time, to enable them to handle the administration of this provision, and perhaps as a reserve fund to cover contingent losses which might occur thereafter.

The amendment also requires the local agency or local body to first attempt to come under a guaranteed-loan provision, if it can do so. The Administrator would have to review the picture from the standpoint of the eligibility of the applicant, and would have to determine whether it could qualify for a guaranteed loan. If it could, that would be the first type of relief to be provided.

If it could not qualify for a guaranteed loan, then—and only then—it would become eligible to proceed under the grant provision of the bill, as set forth at the present time in Senate bill 6 and in the amendment in the nature of a substitute which we propose to offer.

One of the objections raised during the consideration of the guaranteed-loan provision was based on the fact that local agencies were not required to contribute. The Banking and Currency Committee considered this provision. We have attempted to act upon that point by requiring a contribution of 25 percent at the local level and 75 percent at the Federal level.

So the contribution provision is covered in the proposed amendment.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator yield?

Mr. CANNON. I am happy to yield.

Mr. WILLIAMS of New Jersey. Last year, when the suggestion was first made that the bill reported from the Committee on Banking and Currency be considered by the Committee on Commerce, my attitude was the attitude of Sir Balthazar Gerbier expressed in 1662 when he said:

Too many cooks spoil the broth.

I believe I had the same attitude this year. But the gentle persuasion of the chairman of the Subcommittee on Housing, the Senator from Alabama [Mr. SPARKMAN] prevailed with me, as it always has, and I am now glad that the measure did go to the Committee on Commerce. I am particularly happy that it received the deep and comprehensive consideration of the Senator from Nevada. Now I believe my attitude is best expressed as Plato is reported to have stated:

If you will attend to me, two together will be searching, and so mayhap we shall find what we seek.

My feeling—and I believe it is the feeling of all Senators who serve on the Subcommittee on Housing—is that the measure has been helped greatly by the suggestions proposed by the Committee on Commerce. I know that at the proper time we as a committee will be accepting ideas of the Committee on Commerce.

Of course, there will be some questions that we shall desire to clear up. The first question that I have deals with fare levels. Historically we know what has happened in transit systems. As costs rise and, indeed, as ridership declines, fares are increased, which begets a further decline in service.

I am sure it was not the intention of those who proposed the part of the amendment referred to, to take from transit authorities the necessary flexibility to deal with such situations, and

to seek and find ways that would encourage people back to the use of transit facilities, or encourage people to continue using such facilities.

Mr. CANNON. The record is quite clear. It is certainly hoped that every effort would be made to try to resolve that problem, which is certainly serious. It is a problem that is not being met in many areas, and it cannot be met in those areas without some type of Federal assistance. Certainly we do not take an inflexible position insofar as fares are concerned, or other methods of trying to encourage greater use of facilities and thereby provide greater and better service.

Mr. WILLIAMS of New Jersey. I am reassured. The next amendment about which I desired briefly to inquire relates to State and local tax relief or other relief mentioned in the amendment. The Senator knows that, particularly in connection with rapid transit and commuter railroads, there are cities which are gathering places, either at the terminal or the makeup point of the transit facilities. At such points we have large areas of concentration of land and facilities devoted to the transportation system, be it commuter rail or rapid transit, or even buses. Such communities have a great measure of responsibility in terms of local public service and all the things that go into local government. Of course, the beneficiaries would be the rapid transit terminal or whatever other system there might be. Those systems would feed it through multiple jurisdictions of government to people in the commuting range as far out as 50 miles in some cases. If heavy demand were made at the terminal for relief, an undue burden would be saddled on one city for the benefit of all the riders on the line.

I am wondering whether in the proposed language there is not the necessary flexibility and whether the local demand met by the amendment could not be met in other ways? Perhaps it could be done by way of a State contribution in lieu of taxes. In such cases it would not be the terminal city that would apply. It would be a broader part of government, such as an authority. In my State it would probably be the State government.

Mr. CANNON. First, the administrator would have certain discretion.

Second, the proposal would not prohibit a State or a local agency from granting a subsidy to try to give some relief, rather than to place the burden strictly on the tax base. In the type of situation which the Senator has indicated, I am certain the record will indicate very clearly that in a number of instances there has not been granted enough relief at the local level to try to create some incentive to try to resolve the overall problem.

Mr. WILLIAMS of New Jersey. In the judgment of the Senator, the local level could be the local level of application. Perhaps it would be the State level.

Mr. CANNON. It could be at the State level. In many instances, it might be at the State level. In some instances, I presume it could be beyond the State level. There might be a joint operation in two or more States.

Mr. WILLIAMS of New Jersey. I am very grateful to the Senator for his amplifications and observations. In connection with the provision that the bonds would not carry a tax exemption, there might be fear that a precedent would be established that would cut deeply into the historical pattern of financing at the local level. I know that such is not the intention or expectation of the Senator, and that he sees the situation as a case sui generis.

Mr. CANNON. I thank the Senator for bringing up that point. I had not completed my explanation. I intended to cover that one particular provision. One of the other features of the guaranteed bond proposal is a provision that they would not be tax exempt. That provision departs from the usual and customary theory of tax exemption in dealing with municipal bonds. That is in nowise intended to be a precedent for the taxation of municipal bonds, and I, for one, would oppose entering into the field of taxation of municipal bonds generally.

That is a different area entirely. The Federal Government would be asked to guarantee the bonds of the local transportation authority. They might therefore be able to market their bonds at a lesser interest rate than would be possible on the open market today. In my opinion, the private investment segment of our country would be induced to come in under that type of proposal. Such participation is necessary if we are to solve the overall problem, because of its magnitude. But again I say that that is nowise intended to be a precedent. It is intended to be exactly the opposite. A non-tax-exempt provision would be established solely by reason of the fact that the Federal Government would be coming into the picture as a guarantor, just as the Federal Government enters into the picture in FHA and VA guarantee provisions. In both those situations, interest is not exempt from taxation. That is the specific reason why we are trying not to get into that area in the present case.

Also, if a guarantee provision were allowed on tax exempt bonds, in effect it would place the bonds in a better position from the standpoint of salability than those of the Federal Government.

That, of course, would place the local agencies in an unfair competitive position insofar as the sale of Government securities is concerned.

Mr. WILLIAMS of New Jersey. If they were tax exempt?

Mr. CANNON. If they were tax exempt.

Mr. WILLIAMS of New Jersey. The measure introduced by the Senator from Ohio, I believe S. 807, was a guarantee of loan bill. I believe the Senator has introduced it as another substitute. This is a guarantee approach. It specifies, however, a revolving fund for the payout of any guaranteed loan in total or partial default. The revolving fund, as I understand, would be $50 million.

Mr. CANNON. The Senator is correct.

Mr. WILLIAMS of New Jersey. I see no revolving fund in the measure advanced by the Senator from Nevada. I note there would be an authorized total amount for guarantee of $500 million. If this were spelled out in terms of the amount of money which had to be in a revolving fund for payout on possible default over a period of the life of bonds, 30 to 50 years, I would compute the requirement to be a revolving fund of a negligible amount. Is that correct?

Mr. CANNON. I could not answer the Senator as to how to equate this into a relative figure compared with a revolving fund. I simply say that the $500 million authorization is to be a maximum amount of guarantee for which the Federal Government could obligate itself, under the circumstances, if the bill should pass. This would mean that the Federal Government would have a contingent liability, if it guaranteed $500 million in bonds, of the full amount.

Certainly, the only way that would equate itself into an actual payout would be if every applicant defaulted on the payment of the bonds over the entire life of the bonds, which would be over a very substantial number of years.

Mr. WILLIAMS of New Jersey. I believe the potential annual loss, assuming total default, could be computed. I hope that before we complete consideration of this problem tomorrow we can at least have an estimate of an annual possibility. That would be very helpful for Senators, I am sure. The $500 million is the limit of possible guarantees. The annual amount which possibly could be paid out, when one expresses it, is not nearly as terrifying, and of course we expect the guarantee program to be fully self-supporting.

Mr. CANNON. I do not know that it would be fair to say that one could equate this general type of guaranteed loan to an FHA or VA guaranteed loan, insofar as the payout experience is concerned, because this would involve a lending to a public body, while under the FHA and VA guaranteed loan provisions the loans are made to private individuals. The situations are somewhat different.

Mr. WILLIAMS of New Jersey. I think that over the evening recess perhaps we can give the problem to the actuaries, to see if it can be put in some frame of comparison.

Mr. CANNON. I shall be happy to check, to see if we can find some basis which is reasonably accurate for an estimate.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CANNON. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. Subsection (c) of section 3 of the amendment in the nature of a substitute is, I understand, the subsection which deals with the tax relief which would be sought in the local and State communities.

Mr. CANNON. The Senator is correct.

Mr. LAUSCHE. Is there any other provision in the proposal which would deal with tax relief that should be sought?

Mr. CANNON. So far as I know, it is entirely covered under subsection (c) of section 3.

Mr. LAUSCHE. On page 5?

Mr. CANNON. Commencing on page 5 of the amendment in the nature of a substitute to be proposed for S. 6.

Mr. LAUSCHE. I direct the Senator's attention to subsection (c), from which I read:

No Federal assistance under this Act shall be extended to any State or local public body or agency thereof to assist any private mass transportation company unless the Administrator is assured that the State or States and the local public bodies or agencies thereof in the area covered by a proposed project have afforded the company every feasible relief, compatible with their own fiscal responsibilities, including, but not necessarily limited to, relinquishment of real property taxes, personal property taxes and franchise taxes;

Am I correct in the understanding that as a prerequisite to the right of obtaining any relief, the Administrator would have to be satisfied that, on a local and State level, tax relief had been granted compatible with the fiscal responsibilities of the local government?

Mr. CANNON. The Senator is correct; though not necessarily tax relief. It could be some other relief. A subsidy might be granted in lieu of tax relief. The tax relief would apply only when they were attempting to assist a private mass transportation company as distinguished from a local or municipal government owned system.

Mr. LAUSCHE. One thing bothers me about the language. How could it become equally operative throughout the whole country, when one of the conditions would be that tax relief or other relief "compatible with their own fiscal responsibilities" would be granted?

I have in mind the fact that there are different tax laws in various States. I have in mind also the fact that some communities are strong in money, while others are weak. How could we be assured that there would be equal operation of the law throughout the country? I am exploring the question.

Mr. CANNON. I could not assure the Senator that this would result in absolute equality in every instance, because the situations might be different. There might be a different tax base. The transit company in one State might be taxed a little more than one in a neighboring State, for example, yet the programs could still be "compatible with their own fiscal responsibilities."

One of the purposes of the proposal is to insure that the local government would not simply "skim the cream" off the top of the taxes received from the private operator, and then use only a portion of that amount to meet the Federal grant requirements. If they were to request relief from the Federal Government, then they in turn would have to plow back whatever they were getting out of the transportation company, to try to solve the problem at the local level.

That is the intent. I presume that in each instance it would require a very careful review by the Administrator. Of course, the entire program would be subject to periodic review by the Congress.

Mr. LAUSCHE. My fear, again, is that there is given to the Administrator a discretionary power to determine whether the tax or other relief granted has been compatible with local fiscal responsibilities. It gives him a discretion which in my opinion he will be unable to apply equally throughout the Nation. That is my own fear of that provision of the bill.

Mr. CANNON. I simply say that there are general guidelines which can be used in this type of situation, and that is evident, as an example, from the testimony given by the Chairman of the Interstate Commerce Commission when he testified concerning the passenger deficit investigation. One of the recommendations they made was that the local bodies grant this type of relief, consistent with their financial responsibility.

I presume there are general guidelines which would be applicable, but to give an assurance of absolute equality of treatment of an applicant in Ohio as compared to an applicant in New Jersey I do not believe is any more possible than to give an assurance of absolute equality in any type of program that involves a different application of State and local law.

Mr. President, I am open to further questions any Senator desires to ask. If there are no questions, I shall yield the floor.

Mr. LAUSCHE. Will the Senator yield for a question?

Mr. CANNON. I yield.

Mr. LAUSCHE. The proposals of tax relief made by the Interstate Commerce Commission were also made by other agencies of the Government dealing with the manner in which the problem should be solved.

Mr. CANNON. A number of studies have been made of this particular problem. It is evident that some States and some local bodies have not met their responsibilities, in attempting to solve the problem themselves, in the eyes of those bodies that have made reports on this subject and in the eyes of the Interstate Commerce Commission.

Mr. LAUSCHE. The testimony shows a number of studies have been made. In most of them one of the methods recommended for solving the problem is that the Federal Government should grant tax relief by not siphoning off the income derived by transit companies through tax remissions made by local and State governments, and also that direct tax relief and other relief be provided by local and State governments.

Am I correct in that statement, so far as the Senator from Nevada understands?

Mr. CANNON. I understand that is the recommendation which has been made by some of the reporting bodies.

Mr. LAUSCHE. I intend to discuss that subject tomorrow.

Mr. CANNON. I yield the floor.

JOINT RESOLUTION OF VERMONT LEGISLATURE

Mr. AIKEN. Mr. President, will the Senator yield to me long enough to introduce into the RECORD a joint resolution from the Vermont Legislature?

Mr. CANNON. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, on March 6 the U.S. Internal Revenue Service announced its intention to emasculate several of the most efficient internal revenue State offices and transfer them to offices in bigger cities.

I ask unanimous consent to have included in the RECORD a joint resolution enacted by the Vermont Legislature expressing its views on this proposal.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 17

Joint resolution relating to the U.S. Internal Revenue Service offices in Burlington, Vt.

Whereas on March 6, 1963, the U.S. Internal Revenue Service announced that it proposes to eliminate the district offices in Burlington, Vt., and maintain there only a field office; and

Whereas this action will result in substantially diminished service to the citizens of Vermont, making it necessary for them to travel considerable distances for personal interviews with officials of the Internal Revenue Service in a large number of cases: Now, therefore, be it

Resolved by the senate and house of representatives, That the General Assembly of the State of Vermont opposes the proposed action and the resulting loss of service to the taxpayers of the State; and be it further

Resolved, That the secretary of state be instructed to send a copy of this resolution to Hon. George D. Aiken, Hon. Winston L. Prouty, and Hon. Robert T. Stafford, as well as to Hon. Mortimer Caplin, Commissioner of Internal Revenue.

Approved: March 26, 1963.

DOUBLE TALK—DOUBLE SPEND

Mr. YOUNG of Ohio. Mr. President, officials of the Department of the Army have programed two new Army Reserve Centers at Columbus, Ohio, for 1963, at a cost of more than $1,200,000. Each of these units will have a complement of 600 men.

I have been informed that at the present time consideration is being given to the location of these centers. Although no final decision has been made regarding them, it is reported that the Department of the Army is seriously contemplating purchasing two new sites in Columbus, or in surrounding Franklin County, for this purpose. Those who are guilty of promoting this sort of program would be guilty of wasting more than $1,200,000 of our taxpayers' money.

Mr. President, the Fort Hayes Military Reservation at Columbus, Ohio, is to be abandoned by the Army in 1965. This installation covers over 70 acres of land in the heart of the city of Columbus. It is easily accessible from all parts of the city and from all parts of Franklin County. It is already the property of the U.S. Government.

It would be an unconscionable action if taxpayers' money were spent for land for two new training centers, when this excellent location, already owned by the Federal Government, is available.

Mr. President, this excellent installation, which has been owned for many, many years by the Federal Government,

was useful in the past, but is being "phased out", as the military use the term. You see, Mr. President, in Pentagonese it would be too simple to say "phased out." At any rate, this fine acreage in the heart of Columbus, Ohio, is definitely to be abandoned by the Federal Government.

We talk about saving taxpayers' money. Here is one place where we can do that very easily by turning over, for use for these training centers, only a small section of the 70-acre property at Fort Hayes.

There is no reason why a part of the Fort Hayes reservation could not be set apart for these training centers, in fact, why are two training centers needed? As I have said before, Fort Hayes is an ideal location for this purpose. These units could be combined and built on federally owned property at Fort Hayes. That would not cause inconvenience to reservists in the Columbus area. At the same time it would save thousands of dollars of the taxpayers' money.

Mr. President, I for one, cannot understand how, at a time when we are trying to keep the budget within limits, we would condone a manifest waste of the taxpayers' money, like the one being considered in this instance. I have written to Secretary of the Army Vance, and strongly protested any such move.

I couched my letter in forceful language in order to indicate my amazement at the contemplation of such a waste of the taxpayers' money. I hope Secretary Vance and other top officials of the Department of the Army will carefully scrutinize this situation. I am sure that once they are aware of the facts, the proposed purchase of new sites will be discarded. The Defense Department has millions of acres of surplus land throughout the Nation. This land should be utilized whenever possible, before the Federal Government purchases unneeded additional land. The scheme seems to be to buy additional land in Columbus at an inflated price. I denounce this proposal as a fantastic, unthinkable raid upon our Federal Treasury. I will oppose this to the uttermost.

Mr. President, Don E. Weaver, outstanding editor of the Columbus Citizen-Journal, recently wrote an excellent and persuasive article regarding this proposed boondoggle. His article is entitled "Fort Hayes—Double Talk, Double Spend." It is a fine example of responsible journalism at its best, and Mr. Weaver is to be congratulated on his attempt to save the taxpayers' money. I commend this article to my colleagues, and ask unanimous consent that it be printed at this point in the RECORD, as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORT HAYES—DOUBLE TALK, DOUBLE SPEND

(By Don E. Weaver)

Early this week Mayor Westlake announced that the Army intends to build two Reserve training centers in Columbus, at a cost of over $1,200,000.

Three days later the mayor said that since the Army is going to give up old Fort Hayes, he has asked the General Services Administration to give it to the city for parking or a city storage lot.

This is a close-home illustration of why Government costs so much.

If the Army needs two new training centers and is also going to give up century-old Fort Hayes, why not use Fort Hayes for the new training center and save the cost of buying more land and taking it off the tax duplicate?

A Washington checkup indicates the Army already is taking second thought and may do just this.

We have had ample evidence that the military's right hand often doesn't know what its left hand is doing. Such may be the case here.

There is said to be an Army plan for 1,700 Reserve centers across the country.

The Defense Department has millions of acres of surplus land. It should be utilized, rather than buying more for new programs.

Of course the abandonment of Fort Hayes—opened in the Civil War—has been hot and cold for years. Now the Army is supposed to be giving it up in 1965.

Mayor Westlake's vague proposals for parking lots, storage or maybe recreation aren't very high uses for Fort Hayes' 70 acres of good level land, strategically located at an interchange. On the completed expressway it will be one of the most accessible sites in Columbus.

As Mayor Westlake admitted, the State of Ohio will have first call on Fort Hayes if and when it finally is abandoned for Federal use. And we think the State could utilize it for higher purposes than parking, storage or a neighborhood playground.

Ohio State University faces a mighty expansion problem. Plans are forming for an Ohio Research and Development center. The Ohio Historical Society Museum owned by the State and not part of the university, nevertheless stands on the campus at the main entrance, occupying space badly needed by OSU.

At the same time, Ohio has made a start toward a State archives center—and after 150 years Ohio certainly needs it—by taking over the old Governor's mansion on Broad Street. This is valuable land, but far from ideal for an archives center. All or part of Fort Hayes' 70 acres could be used for the related history and archives functions of the State, thus releasing to the university a site it badly needs and allowing sale for private—and taxable—use the old mansion site.

At all levels of government we've had a tendency continually to acquire new lands and buildings, also more debt, without getting full value from the old or obsolete facilities. For example, the old State blind and deaf schools, replaced years ago by new schools on newly acquired land. These valuable sites in the heart of the city could be restored to the tax duplicate if auctioned to private ownership and use.

The Army is vague as usual about its plans for new training centers. But Mayor Westlake indicated the sites, which he declined to name if he knows them, may require extension of water and sewer services. True or not, it sounds typical.

Ignore the readily available, the already owned, and go out and spend a lot more tax dollars getting more land and building new buildings.

Senator STEPHEN M. YOUNG, of Ohio, is one who has sounded a warning against unnecessary spending for these research centers when Fort Hayes is available.

We hope Senator LAUSCHE, always a vociferous advocate of Government economy, and Representative SAMUEL L. DEVINE, of Franklin County, who also testifies for conservative spending, will add their voices and their efforts to the prevention of costly squandering.

A million dollars may be peanuts to the tax eaters, but it's a lot of money to us taxpayers digging deep to pay the bill before April 15.

URBAN MASS TRANSPORTATION ACT OF 1963

The Senate resumed the consideration of the bill (S. 6) to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

Mr. WILLIAMS of New Jersey. Mr. President, the Senator from Alabama has discussed the major provisions of this legislation, and on many occasions I have spoken of the need for this bill—the staggering traffic congestion that is choking so many of our cities, and costing the Nation between $6 and $8 billion a year in loss of time and wages, traffic accidents, and loss of business, to say nothing of the exhaustion of our energies, both physical and emotional, by the traffic jams we face daily.

We all know that traffic congestion is discouraging private investment in the revitalization of our cities. We know that our transit systems are seriously deteriorated, and that deterioration is forcing the construction of more and more high-cost highways in the cities to compensate. We know that great numbers of people—perhaps up to 40 percent of the population in both large and small cities—are highly dependent on public transportation because they are too old, too young, too poor or even too afraid to drive an automobile.

To me the problem is so clear and so serious that it hardly needs further discussion.

Even the strongest opponents of Federal action in that field concedes the existence of the problem. We saw an example of that in the earlier statement of the senior Senator from Utah [Mr. BENNETT]. On several occasions the U.S. Chamber of Commerce conceded the point in testimony and in responses to questioning. So I do not think I need add anything more to that question.

I would, however, like to make some comments with respect to certain objections that have been raised against the bill now before the Senate, which I had the honor of sponsoring with 22 other Senators from both sides of the aisle and from most parts of the country.

I am especially happy over the broad bipartisan support the proposed legislation has received this year and in past years. I desire my colleagues on the other side of the aisle to know our appreciation and our full knowledge of the value of their support and assistance in connection with this measure.

I am only sorry that the late distinguished Senator from New Hampshire, Mr. Styles Bridges, is not here today, for he was likewise a strong supporter of this legislation when he was in the Senate. I recall in 1961, he made this statement:

I trust that before this session of the Congress is concluded, we shall be able to say that in the field of domestic problems, one of the most aggravating and serious was that of mass transportation, and that this Congress recognized it and passed legislation

necessary to alleviate this important and critical problem.

Senator Bridges was deeply respected, and his loss is deeply regretted. However, he did live to see a start at meeting the problem, because in 1961 the temporary emergency program with which we have been working was adopted. That program was the forerunner of the measure now before the Senate. When Senator Styles Bridges spoke, he spoke in the noblest tradition of his most beautiful and rugged State.

Those of us who served in the House of Representatives were inspired as we sat in that Chamber and observed the words etched in marble behind the Speaker's stand:

> Let us develop the resources of our land, call forth its power, build up its institutions, promote all of its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

That is a quotation from another great man from New Hampshire—Daniel Webster.

THE COST

Mr. President, we all know that there is a great deal of talk this year about the size of Federal spending, and I agree we should try to eliminate every possible waste and economize where we can without doing injury to the security or welfare of the Nation.

But I say flatly and firmly that there is no shortcut to economy through the defeat of this proposed legislation.

We have asked the people of this Nation to pay $41 billion in taxes for the construction of the interstate highway program. About $20 billion of that amount will be going into urban highway construction.

We simply cannot evade the fact that there are certain periods of the day—2 hours in the morning and 2 hours in the evening—when the working population of this Nation must move to get to and from work. Many of those people now use public transportation, and many more would use it, if it were modern, convenient, quick, and reasonably priced. But more and more of those people are being forced into their automobiles for rush-hour commutation because we have allowed our bus and and rail transit systems to deteriorate and decline.

If we do not spend a modest amount to preserve and improve essential rail and bus transit service, the taxpayers will only end up paying far more in taxes to build the highways that will be necessary to compensate for the decline and loss of transit service.

The American Municipal Association has estimated that if five cities—New York, Boston, Philadelphia, Cleveland, and Chicago— were to lose just their rail commuter service, it would cost more than $17 billion to move a comparable number of people by automobile.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS of New Jersey. I am happy to yield to the senior Senator from Pennsylvania.

Mr. CLARK. I should like to stress the point the Senator has made that, in the long run, the bill would save the public money. If we in the greater Philadelphia metropolitan area, using the funds made available by the bill, can complete the mass transit plan which has already been agreed upon in substance, we will save future generations of taxpayers tens of millions—even as much as $100 million—in the cost of extra expressways, automobile highways and truck highways, which would otherwise have to be built. As long as 10 years ago, when I was mayor of Philadelphia, the cost of 1 mile of our Delaware Expressway, which is not yet built, was $17 million. I am sure that cost is substantially higher today. Yet, until we can get the modern equipment and the necessary Federal financing, we have unused and unavailable a network of railroads which could be utilized to bring more than 100,000 people, in and out and around the metropolitan area every day.

So the Senator from New Jersey is quite correct, when he says that the very modest expenditures which are contemplated by the bill would, in the end, pay for themselves many times over in saving the cost of highways which would otherwise become necessary.

Mr. WILLIAMS of New Jersey. I could not more completely agree with the Senator from Pennsylvania. Those who address themselves to the question of the economy and feel that the bill is uneconomical could not, in my judgment, be further from the truth.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. WILLIAMS of New Jersey. I yield.

Mr. CLARK. I wonder if the Senator has contemplated a comment by the Secretary of Labor, Mr. Wirtz, in testimony before the Committee on Labor and Public Welfare, on which the Senator from New Jersey and I both serve, in connection with the youth employment bill, which I hope will be taken up and passed when the bill relating to mass transportation is disposed of. The Senator will recall that Mr. Wirtz pointed out that the amount called for by that bill, which is slightly in excess of $100 million, would have been spent for the defense program since 6 o'clock the night before to 10 a.m., when Mr. Wirtz was testifying.

I invite the attention of my friend from New Jersey to the fact that the mass transit bill would authorize the expenditure of $500 million over a 3-year period. Does the Senator recall how much of that money was in loans and how much in grants?

Mr. WILLIAMS of New Jersey. It is all in grants.

Mr. CLARK. All grant money.

Mr. WILLIAMS of New Jersey. The grant program is $500 million. In addition, the bill contemplates carrying forward the loan program which was approved in 1961.

Mr. CLARK. So the $500 million for the grant program represents total expenditures over a 3-year period equivalent to one-half of 1 week's expenditures for the defense program, on which we are now spending at the rate of $1 billion a week. So we ought to view the question of expenditure in some perspective. This is a subject which the Senator from New Jersey has well said involves the life and the continued well-being of our cities and, indeed, many of our towns, too. We hesitate on grounds of economy to spend as much for the purposes for which the bill is intended over a period of 3 years as we are spending in 1 week for the defense program. I believe that if Senators were generally aware of that fact, some of the opposition to the bill on the ground that we cannot afford the program would be dissipated.

Mr. WILLIAMS of New Jersey. The Senator has stated the case even more dramatically than I have.

Two pages of a newspaper published last Wednesday carried two interesting stories. One story related:

> Senate trouble predicted for the transit bill.

The newspaper article contained a story on that subject.

On the other page, in two columns, was listed a total contract authority for defense in the sum of $890 million; $385 million of that amount was for the Dyna-Soar space glider. In the newspaper story the statement appeared:

> Of course, it is not known whether this will be a final vehicle in our space effort.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. In other words, we might spend $385 million for it and then junk it. The Senator and I have not been willing to "short cut" on defense. All we are saying is, "Let us make a beginning of national strength in the urban areas of this country, where truly we are facing decay."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. CLARK. I agree completely with what the Senator says. I think the example he has given is excellent.

Aside from the defense program, it has always seemed to me to be slightly more important to get the hard-working American citizens back and forth and in and out of Camden, Newark, Philadelphia, and Pittsburgh, than to get a man on the moon. I am quite ready to put a man on the moon when we can afford to do it, after having taken care of some of our domestic needs.

I suggest to Senators who are interested in economy that a good, hard look at the space program should be taken before they vote against a modest expenditure to give adequate services to American citizens who are earning the money which makes it possible to have a defense program.

Mr. WILLIAMS of New Jersey. I thank the Senator from Pennsylvania. I agree with him.

Mr. President, I continue with my remarks on this subject.

In addition to the added highway expenditure that will be necessary if we do not preserve and modernize essential urban transit service, we have the problems and costs of providing enough parking space for all the automobiles, the loss of tax ratable property, the dislocation of families, the added traffic control and street maintenance costs.

In my judgment, much of this pain and confusion is inevitable, for urban highways will always be essential to meet a variety of needs that public transportation will never be able to meet. The automobile is here to stay, but we cannot handle the crush of rushhour travel by highways and automobiles alone.

What we are trying to do is get a little balance, to improve rail and bus transit to help supplement our efforts to handle the rushhour problem.

And no one that I know of disputes the need for a balanced and coordinated urban transportation system, using all modes of transportation to the best natural advantage.

But how in the world can we get balance when the Federal Government provides 90 percent of the cost of highway construction and provides nothing for the improvement of transit?

So I say that there is no shortcut to economy. If we do not provide the modest help proposed here, we will end up paying far more to move people some other way—for move they must, and move they will during the rush hours.

And the expenditures proposed in S. 6 are modest.

The $100 million expenditure proposed for the first year is only $30 million more than it cost to build less than 3 miles of a highway loop in the city of Cleveland, Ohio. It is exactly the same amount that it will take to build little more than 1 mile of highway across lower Manhattan.

A FOOT IN THE DOOR?

At this point, I can almost hear the thoughts of some Senators:

> Ah yes, $100 million the first year, but this is just the foot in the door, the nose in the tent, the drop in the bucket. It can't begin to do the job, and the program will balloon to gigantic proportions in later years.

We will hear—as we have already heard—that San Francisco is building a $792 million rapid transit system. We will hear that Los Angeles is planning a $600 million system, that Washington is planning a $790 million system. So how can this proposed $500 million expenditure be anything else but a drop in the bucket that will expand enormously in later years?

For that reason, I want to make a special plea to every Senator to study the way this program would actually work.

Let me emphasize that the Federal aid would not cover two-thirds of the cost of constructing any transit system or project.

We are not proposing to provide free transportation service.

The riders of every transit system will be paying for the service they get. All we are saying is that we cannot put the entire burden of capital costs on the farebox. To do so would require higher and higher fares, producing fewer and fewer riders. This defeats the whole purpose of transit service which is to attract riders, especially during rush hours.

So this bill proposes that the Federal Government share up to two-thirds of the net project cost; that is, the gap between the cost of the project and the amount that can be reasonably financed with bonds sold to private investors and supported by revenues from the farebox.

And how large could this gap be?

Well, let me give an actual example of a typical net project cost in the construction of a new rapid transit project, which of course involves a higher capital cost than would a project involving buses.

The Delaware River Port Authority has received permission to build a 12-mile high-speed rapid transit line between Philadelphia and Camden at a cost of about $55 million. Approximately $25 million of the cost will be covered by bonds sold to private investors supported by the estimated revenues from the farebox. This would leave a net project cost, in this instance, of $30 million, which the authority is planning to provide locally out of surplus reserve funds.

If these surplus funds did not exist, and if the project was undertaken under this program, the Federal share would hypothetically be $20 million, which could be spread over the construction period of the project, thus further reducing the impact on the program.

In other words, the Federal assistance is designed to serve as "seed money" to stimulate far larger amounts of local and private financing.

And the more experience and confidence the private investors get under this program, the more risk they will be willing to assume, and the less burden there will be on the Federal Government.

So the amounts provided in this bill are not just a drop in the bucket.

There is no reason to believe that the program must balloon to vast heights in later years.

But I am sure, before this debate is over, we will hear this called a $9 billion bill.

Let me emphasize that this figure was never the estimated Federal cost of this program.

This was the estimate of total national need over a 10-year period to improve and modernize the Nation's transit systems.

Now let us take that figure and analyze it a little bit.

First, a certain portion of that amount will never apply for Federal assistance, and another portion will be found ineligible for assistance, for one reason or another.

These amounts alone could be very substantial, but let us just say for the sake of discussion that it totals $1 billion, leaving us with a figure of $8 billion.

Out of that $8 billion, we then have to subtract the amount that can be financed out of the fare box. In the example I gave, the fare box covered almost 50 percent of the total cost, and this percentage could be substantially higher in many types of projects.

So it would not be unreasonable to earmark $4 billion for private financing.

This would leave us with a net project cost of $4 billion, and a potential Federal contribution of $2.6 billion over a 10-year period, which amounts to $260 million a year.

I believe I have been conservative in this analysis, and still the level of funding would not be substantially higher than the level proposed in this bill.

And I need not add that when the authority in this bill terminates at the end of 3 years, Congress will decide whether the program has been successful and whether it should be continued or dropped, reduced or enlarged. On top of that, the program will be subject to annual review by the Appropriations Committees of both Houses.

DO WE HAVE THE MONEY?

Mr. President, I know that some Senators will still feel that at this time in our Nation's economic life we cannot afford even this modest amount of expenditure.

We all know that the Federal Government is faced with a high level of spending. We are faced with the prospect of a deficit in this fiscal year. We are faced with the possibility of a tax cut and so we hear that we must slam the lid on Federal expenditures. In fact, some are even going so far as to argue that we must take the meat axe to all kinds of existing vital programs.

Mr. President, this is not just a fiscal and economic problem we are talking about. The real issue facing the Senate is whether we have any faith and confidence in this Nation.

It is easy to bewail the state of the Union and run down the Federal Government. But I think it is about time that we gave a little credit to the people and the representatives of this country.

We are the greatest and strongest Nation in the world. I think we ought to be proud of that fact. I do not think it befits our stature in the world today to talk as though we believe the economic strength of this country is on the verge of collapse.

Thirty years ago, we weathered a tremendous depression. We weathered $50 billion deficits a year during the Second World War. We weathered the dire predictions of gloomy pessimists after the war, that we could not possibly adjust from a wartime to a peacetime economy.

Throughout the fifties we weathered constant predictions that inflation was going to ruin the Nation, yet prices today are more stable than they have been in years. And all the while, wages have been increasing, and the people of this Nation are enjoying a degree of prosperity unknown to any other nation in the world.

Mr. President, I think we ought to be proud of this Nation and the accomplishments of the American people over the last 30 years of turmoil and strife. I do not think we ought to be going around talking as though the day of economic doom is just around the corner. It is not just around the corner. The fiscal strength of this Nation is in good shape, despite what some people say.

We hear them say that the Federal debt has increased to ruinous heights. It is large. It is about $300 billion.

But the fact is that the Federal debt is only 11 percent higher than it was in 1946. The fact is that State and local government debt has increased over 300 percent in the same period of time.

The fact is that private debt in this country today is twice as large as the Federal debt and it has also been in-

creasing at a far more rapid rate than the Federal debt.

Mr. President, businessmen of this country know that to borrow for their own expansion is a sign of health and not weakness. It is a sign of faith in the future of their own business. It enables them to obtain today what they would otherwise have to wait years for, and in the process they help stimulate the economic growth of the Nation in all kinds of direct and indirect ways.

The same thing is true when the Federal Government invests in the future economic growth of the Nation.

Because, Mr. President, the only way we are going to meet the challenge of communism over the long run, and convince the world that they do not have to trade their freedom for the promise of three square meals a day is to show the world that we can meet the pressing economic and social problems that we face in an atmosphere of political freedom through the democratic process.

I do not think there is any reason for us to act like a band of frightened and timid men. If we do not have faith and confidence in the future of our Nation and in our ability to meet our own social and economic problems, I think we might as well give up.

Yet, we tremble over the size of the Federal debt when in fact it is decreasing and not increasing as a percentage of our gross national production. It is decreasing and not increasing as a burden on the American people. In 1946 the national debt amounted to about $2,000 for every person in the country. Today that debt is less than $1,600 per person.

And the same thing is true of Federal spending. Certainly Federal spending has risen over the years, but again, in relation to the gross national product, it has remained virtually stable for the last decade.

I do not think these trends in debt or expenditures give cause for alarm. I think the economy of this country is in good hands and is being managed in a sound and prudent manner. I think the most critical problem facing us today is not spending, or deficits, or inflation.

I think the most pressing problem today is the growing gap in a large number of vital public needs, from education to unemployment to urban transportation.

I think the longer we neglect these problems, the weaker a nation we are going to be.

This bill is one modest effort to meet one serious public need. The expenditure of $500 million over the next 3 years will trigger a combined Federal, local, and private investment of more than $1¼ billion in the improvement of this Nation's mass transit system.

The beneficial effect of this program on employment will be tremendous. Without this program, neither the local nor private investment will be made. Unemployment on our rail and bus transit systems will continue to decline at the present alarming rate of more than 35 percent in the last 10 years.

LOCAL INITIATIVE

Mr. President, this brings me to another charge that has been made against this bill—that this is going to destroy local initiative and responsibility.

But the whole history of transit decline and deterioration is proof that local and private initiative is not enough. Some Federal help is essential if there is to be any meaningful local initiative.

This scare word about local initiative has been hurled at just about every Federal activity ever initiated. But does anyone contend that the passage of the accelerated public-works program last year destroyed local initiative?

I do not think I have ever seen a program in recent years that has stimulated more interest, activity, and local initiative than this accelerated public-works program. The same thing is true of urban renewal.

Would anyone argue that we would have as many cities actively working to eliminate their slums and revitalize their cities as we have today if it were not for the urban renewal program?

Would any Senator say that the programs of the F.H.A. have destroyed the initiative of the homebuilders of this Nation? Would anyone say that the aid we are giving under the Federal Airport Act has destroyed local initiative in meeting the growing needs of the jet age?

Does anyone feel that the communities receiving help under the school impacted aid program have lost their initiative in meeting the educational needs in their communities? The answer to all of these questions is clearly and absolutely—no.

When you get down to cases, it becomes clear that we are dealing with a hollow slogan.

RURAL VERSUS URBAN BURDEN

Mr. President, one of the most unjust accusations that has been leveled against this program is the charge that we are forcing the people in the small towns and rural parts of the Nation to pay for the solution of a big city problem.

In the first place, this is not just a big city problem. Over the last 4 years of hearings on this legislation we have heard from cities and towns across the Nation—from east to west and north to south. We have heard from cities as large as New York and towns as small as Laurel, Miss.

We have heard from communities from Cocoa, Fla., to Seattle, Wash.

So this is not just a big city problem. There are plenty of smaller towns that have their share of traffic congestion. There are plenty of towns that have either no public transportation service or totally inadequate transit service despite the large number of people who depend on public transportation to meet their travel needs.

Mr. President, this is a rich nation, but not everyone in the United States has the luxury of an automobile. There are plenty of elderly people living on extremely low incomes who have become virtual hermits because they can no longer afford or cannot drive an automobile and who do not have adequate public transportation service.

We have people who are too young to drive or disabled or who for one reason or another do not wish to use their automobiles.

We have lots of moderate income families living out in the suburbs with only one car that must be used by the husband to get to work leaving the wife stranded without transportation.

We have plenty of families with two jobs and only one car who are deeply troubled by the inadequacies of our public transportation service.

The American Transit Association estimates that nearly 70 cities in the United States with populations of more than 25,000 are without any public transportation systems. Since 1954 more than 400 transit companies, mostly in small communities, have been sold or abandoned and this has almost invariably resulted in a drastic reduction in service.

This has been especially hard on our smaller communities which are trying to attract new industry and revitalize their business centers.

Since the enactment of the mass transit program in 1962 the Housing Agency has received inquiries or requests for assistance from about 250 cities and towns from 44 different States. So this is not just a big city problem and this bill is not forcing a burden on the smaller towns and rural areas of the Nation to help solve the problems of wealthy big cities. Because they are not wealthy.

The cities of this Nation are facing a financial crisis of the greatest magnitude. They may have a lot of industry but they also have a lot of slums. They have social and economic costs that are unknown to the smaller towns and rural areas of the Nation.

Their tax bases are declining. Their slums are spreading and welfare costs are rising. While their per capita income may be greater than it is in the smaller towns of the Nation, so are the costs of living.

The fact is that the cities of this Nation simply do not have the resources to do this job alone. If they did, they would not be asking the Federal Government for help because they do not like the redtape involved any more than anyone else does.

And I would not want this discussion to end without pointing out that while the cities of the Nation account for about 75 percent of the economic productivity of the Nation they also pay the lion's share of the taxes.

I cannot help but recall the vivid statement made by an official of Philadelphia when he said:

> From 1924 to 1954 residents of the city contributed $384 million to the State motor license fund for highway costs. We received back $82 million and so paid $302 million to get the farmers out of the mud.

And the fact is that the Federal Government has been doing precisely the same thing for years and years.

Mr. President, I can tell Senators that urban taxpayers of New Jersey tell me often enough how they are paying more than $2 in Federal taxes for every dollar they get back. And where has that missing dollar been going? It has been going into agriculture, into water projects, into

reclamation projects and a lot of other programs that do not benefit New Jersey.

But I have supported many of these programs that do not directly benefit New Jersey because they help make a stronger nation.

All we are asking for here is a little bit back.

And, Mr. President, I want to say that if we do not soon start solving some of the urgent and growing problems facing the urban areas of this country we are going to be a weaker nation and the urban areas are going to be poorer and poorer and we are going to be sending less and less to the smaller States of this Nation to help them meet their problems.

Mr. President, I earnestly hope the Members of the Senate will heed this plea. We need this bill. The Nation needs it, and I hope it will pass by a decisive margin.

FALSITY OF COMMUNIST ASSERTION REGARDING ON-SITE INSPECTIONS UNDER A TEST BAN TREATY

Mr. CURTIS. Mr. President, on March 28, 1963, I spoke on this floor and expressed concern over an assertion made at the Geneva Conference by Delegate Tsarapkin that it was the United States and not the Soviet Union which originally offered to settle for three on-site inspections under a test ban treaty.

I have received a letter dated March 29, 1963, signed by Mr. William C. Foster, the Director of the U.S. Arms Control and Disarmament Agency. This letter repudiates the statement made by the Soviet delegate. I believe that it is appropriate and right that Mr. Foster's letter be incorporated in the CONGRESSIONAL RECORD.

This illustrates once more that lying is part of the Communist technique and that the Communist propagandistic claims cannot be relied upon. It would seem to me that we should not enter into any negotiations with them on the subject of disarmament because they cannot be relied upon.

Mr. Speaker, I ask unanimous consent that Mr. Foster's letter be printed in full.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 29, 1963.

The Honorable CARL T. CURTIS,
U.S. Senate.

DEAR SENATOR CURTIS: On March 28, 1963, you indicated in a statement on the floor of the Senate your concern over an assertion made at the Geneva Conference by Soviet Delegate Tsarapkin that it was the United States and not the Soviet Union which originally offered to settle for three annual onsite inspections under a test ban treaty. You said: "If what the Soviet delegate says is true, our delegates have made a dangerous and potentially disastrous retreat."

I assure you, Senator CURTIS, that this allegation, which has also been made by other Soviet officials, is not true. As early as December 28, 1962, in reply to a letter from Chairman Khrushchev, President Kennedy stated:

"With respect to the number of on-site inspections there appears to have been some misunderstanding. Your impression seems to be that Ambassador Dean told Deputy Minister Kuznetsov that the United States might be prepared to accept an annual number of on-site inspections between 2 and 4. Ambassador Dean advises me that the only number which he mentioned in his discussions with Deputy Minister Kuznetsov was a number between 8 and 10."

This exchange of correspondence between President Kennedy and Chairman Khrushchev on the possibility of negotiating a nuclear test ban agreement was reported in the press.

The Soviet assertion was repeated by Mr. Kuznetsov at the February 20, 1963, meeting of the 18-Nation Disarmament Conference. In reply, Delegate Godber from the United Kingdom said:

"* * * our Soviet colleague spoke this morning of the West's having in fact suggested two to three inspections; he said the Soviet Union accepted that and therefore we should now be able to agree. Well, he knows perfectly well that is not the case. The matter has been expounded with absolute clarity, and I am sure all other delegations around this table are fully cognizant of what the West did propose, and indeed it would be strange, even if the Soviet Union had been under that misapprehension, if it still were, because as early as President Kennedy's reply to Premier Khrushchev the matter was made abundantly clear."

Later, at the same meeting, I made the following statement:

"I think it is perfectly clear that the official numbers put forth by the United States and the United Kingdom were expressed in President Kennedy's letter of December 28, 1962; and in no official manner have they ever been two to three on the part of either of our delegations."

Again, at the March 1, 1963, meeting at Geneva, I commented on the matter again at greater length:

"The Soviet delegation has alleged, in presenting its position on on-site inspection, that Mr. Arthur H. Dean suggested as acceptable two to four on-site inspections annually at some point during informal discussions with Mr. Kuznetsov in New York last autumn. That is not the case. Here is the record. On October 30, Mr. Dean, accompanied by Mr. Akalovsky of the U.S. delegation, called on Mr. Kuznetsov in New York. The conversation centered primarily on current General Assembly matters, and the test ban problem was discussed briefly and only in general terms. Mr. Kuznetsov reaffirmed the position held by the Soviet Union at that time, denying the need for on-site inspection and stating that such inspection was unacceptable to the Soviet Union. Mr. Dean stressed the U.S. desire to engage in serious negotiations for a test ban. He further expressed the view that some mutually satisfactory arrangement to cover cessation of testing in all environments, while providing assurances against clandestine tests underground, should be possible. In that connection he said that the United States had in mind a small number of onsite inspections but did not mention any specific figure. Thus, the Soviet claim that Mr. Dean offered two to four inspections on October 30, is inaccurate.

"They met next on November 7 at Mr. Kuznetsov's initiative, at the Soviet Mission in New York. Again Mr. Dean was accompanied by Mr. Akalovsky. Reading from a prepared text and stating that he was acting on instructions, Mr. Kuznetsov reviewed the Soviet position on the test ban—a position which still excluded any onsite inspection on Soviet territory.

"Mr. Dean reemphasized the U.S. position that onsite inspections were necessary and that their number was related to the number of unidentified seismic events. He also said that, because of the progress achieved under the Vela research program, the United States might be prepared to accept something like 8 to 10 onsite inspections, and 8 to 10 nationally-manned control posts under international supervision. Mr. Dean observed that 90 percent of the territory of the Soviet Union was aseismic and suggested the possibility of subdividing Soviet territory into seismic and aseismic areas. He remarked that U.S. scientists believed that if two control posts were located in the aseismic portion of the heartland of the Soviet Union, and eight in the seismic areas, only very few inspections might be required in the aseismic areas.

"After the meeting Mr. Timerbaev, a member of the Soviet mission who also attended the meeting, approached Mr. Akalovsky to check Mr. Dean's remarks about the number of nationally manned stations and of onsite inspections. Mr. Akalovsky referred Mr. Timerbaev to what Mr. Dean had said, with Mr. Timerbaev repeating the number of 8 to 10 onsite inspections and Mr. Akalovsky confirming the accuracy of his account.

"Consequently, there are no grounds for doubt about the numbers mentioned by Mr. Dean and that makes subsequent claims by Soviet representatives that, on October 30, Mr. Dean had in fact mentioned the two to four figure quite surprising. Both U.S. participants in those meetings confirm the facts which I have just given to this conference."

My statements denying the Soviet allegations were also given press coverage.

I am sorry that you were unaware of these statements refuting the propagandistic claims of the Soviet officials.

Sincerely,

WILLIAM C. FOSTER.

Mr. CLARK. Mr. President, I should like to comment briefly on what the Senator from Nebraska has said. I am perfectly confident in my own mind that Mr. Foster's denial of the validity of the charge made by the Soviet delegate is correct.

I was at Geneva during November and December, as an observer at the Disarmament Conference, and I had occasion to discuss then, and later with Mr. Arthur Dean, our principal negotiator, the charge which even then was being made—it was made more specifically later—that the Americans had agreed to three onsite inspections as the basis for the treaty. Mr. Dean told me categorically—and I believe him—that this was not the case, that the Soviet Union misrepresented his stand, that he had never made such a suggestion or been authorized to do so.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator for yielding.

When I received Mr. Foster's note I felt a responsibility to put it in the RECORD, because it clearly repudiates the Soviet position.

Mr. CLARK. I thank my friend.

THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Mr. CLARK. Mr. President, I desire to speak briefly about a short statement made on March 21 by the junior Senator from Arizona [Mr. GOLDWATER] with respect to the integrity of the officials of the U.S. Arms Control and Disarmament Agency. I advised the Senator from Arizona [Mr. GOLDWATER] that I intended to speak on this subject, and he indicated that he felt no desire to be

present in the Chamber when I made this statement.

On that date the junior Senator from Arizona implied that the U.S. Arms Control and Disarmament Agency was "guilty of crass dishonesty" by the "issuance of deliberately false and misleading information."

Those are quotations from what the Senator said. I quote further:

> Either the Disarmament Agency is guilty of crass dishonesty in its dealings with the press or the reporters who wrote the stories about the Disarmament Agency's denial are guilty of completely misunderstanding what the agency was talking about.

Again, he said:

> But I do not doubt that the issuance of deliberately false and misleading information, and then blaming the conclusions stemming from that information on reporters—may be the newest brand of news management.

While the Senator did not make a flat accusation of dishonesty, it is quite clear that some irony can be drawn from the fact that the Associated Press story as to what the Senator had said, which appeared in the Washington Post and Times Herald the next morning, was under the headline "Untruth Laid to Arms Unit by GOLDWATER."

The first paragraph of the news story stated:

> Senator BARRY GOLDWATER, Republican, of Arizona, yesterday accused the Arms Control and Disarmament Agency of putting out deliberately false information about a proposal for a joint United States-Russian burning of bombers.

This was not exactly accurate either but I am sure the Senator from Arizona would vehemently deny a charge of news management.

This altercation arose when the Senator posed the following question at a recent speech:

> Is it true that there are plans in the making to give up 30 of our B-47 bombers along with 30 Russian Badgers—that there would then be a gigantic bonfire in which all of these weapons would be destroyed for the benefit of mankind?

Two days later the press reported:

> United States disarmament officials deny that any plan has been shaped for reciprocal burning of bombers by the United States and the Soviet Union.

This was the first paragraph of a story headlined "Administration Denies Bomber-Burning Plan." The story went on to quote an Agency spokesman as saying the Senator may have confused this with a proposal calling for mutual destruction of 30 percent of all basic weapons as outlined in a treaty outline on general disarmament which the United States presented in Geneva last summer. The following two paragraphs concluded the story:

> The spokesman said that in view of the failure of this broad proposal, there has been some internal discussion within the Government of less ambitious programs as first steps toward a general program which seems many years away. But, he said, none of these proposals has even been agreed upon internally, let alone offered to the Russians. He noted that destruction of 30 B-47's and 30 Badgers—both obsolescent bombers—would be no more than a token gesture, in any event since there are many hundreds of each type in service.

This story, which appeared in the papers on Monday, March 11, was based on telephone conversations between reporters and the Agency spokesman.

These conversations took place on Sunday, March 10. On Monday morning, March 11, the Agency representative who spoke to the press the day before, felt after reading the morning papers that his earlier comments to news correspondents evidently had not been clearly understood. To clarify any misunderstanding, the Agency at noon that day released the following statement through the State Department:

> The U.S. Arms Control and Disarmament Agency has over the past months engaged in several internal studies, in cooperation with other pertinent agencies, to consider the feasibility of proposing separate limited disarmament measures which might develop the first steps towards disarmament consistent with national security. These various studies are still taking place. The appropriate agencies, including the Department of Defense, are participating in these studies. None, other than the measure to reduce the risks of war, has been presented to the Geneva Disarmament Conference.
>
> The possibility of a simultaneous reduction of B-47's and Russian Badgers is one such study taking place within the U.S. Government. No such proposal, however, has been discussed with the Soviet Union or presented at the Geneva Disarmament Conference.
>
> Any such proposals receiving Presidential approval would first be discussed with the appropriate Members of Congress before submission at Geneva.

The same day, Secretary Rusk, when questioned about the news reports in testimony before the Senate Foreign Relations Committee, explained the apparent misunderstanding and commented on the study. Yet, the Senator from Arizona, as what I suggest is a part of a determined effort to discredit the Agency, implied it was guilty of crass dishonesty in denying his assertion that such a mutual plane burning proposal was under consideration and not correcting this alleged "denial" even after Secretary Rusk had explained it. This was simply not the case, and I submit that the Senator's charge was inaccurate and unwarranted.

Mr. President, what does all this come down to? I suggest four points.

The first is that the Disarmament Agency did not deny the existence of a plan for reciprocal destruction of obsolete bombers. Anyone who took the trouble to acquaint himself with the facts could come to no other conclusion. When first asked, Agency officials stated that the plan had not been put in final shape; that it had not been "shaped." The following day, they made it clear that the plan was under consideration as a part of a broader package proposal, although no decision had been reached to propose it to the Soviets.

Why should the Disarmament Agency undertake to deny that such a proposal was under consideration when, in fact, it had been discussed with Members of the Senate, including Members of the Foreign Relations Committee? It is utterly incredible that such a denial would be made. In fact, it was not made. All that was said was that the proposal had not been "shaped" to the point where it had either been agreed upon or submitted to the Russians.

My second point is that it is a disservice to the cause of peace to imply that honorable men patriotically and intelligently serving their country are either guilty of crass dishonesty or are being misunderstood by reporters. Neither charge is true. The first suggestion is inaccurate; the second is just plain wrong.

It has been my privilege to be associated quite closely with the distinguished men who head our Arms Control and Disarmament Agency. Mr. William Foster, Director of the Agency, has had a long career in public service. He has done yeoman work in the field of disarmament. He is a man of complete integrity, who deserves the confidence of the Congress and the country. Frankly, I resent it when Members of this body cast aspersions on either his patriotism or integrity, or that of his fine associates, Mr. Adrian Fisher, Dr. Long, of Cornell University, and Mr. George Bunn, General Counsel of the Agency. These men should be supported by Congress, and not torn to pieces on unfair charges that they are not representing their country with patriotism and integrity.

My third point is that nobody in the Agency ever said the plan to burn obsolete bombers was not under consideration. Such a charge is at complete variance from the facts.

Aside from the question of who told the truth, and it is clear to me that the Agency told the truth, the whole truth, and nothing but the truth—I pose these questions:

What public purpose is served by questioning the integrity of able, conscientious, honest public service? I say none.

Second, what public purpose is served by ridiculing the efforts of the ACDA to implement the policy of the President of the United States? What is that policy? It is our fixed and determined policy to work unceasingly for total and complete disarmament under enforceable world law—to challenge Russia to a peace race, and not an arms race.

The effort to cast doubt on the able men who are doing their best to carry that policy into effect is, in my judgment, a very real disservice to the cause of peace.

I am confident that the President speaks for the overwhelming majority of the American people when he says we mean to negotiate with the Russians. I agree with the Senator from Nebraska [Mr. CURTIS], who said that we cannot trust the Russians, but I say proposals which are in their self-interest and in our own interest, under a treaty which gives adequate inspection and gives arms control, can constitute a small step toward removing the heavy burden of arms, and we can thereby make some effort to remove the threat of nuclear terror under which we now live; and we can make a step toward having the kind of world in which our children and grandchildren can grow up in reasonable safety and with some assurance that they will live out their lifespan. I hope

that in the future these enlightened and patriotic public servants will receive more support and less criticism in their efforts to do something to advance the cause of humanity.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HUMPHREY. I commend the Senator from Pennsylvania for his remarks. I knew of his speech. I have been listening to the final part of his address in support of the Arms Control and Disarmament Agency and in particular the Director of that Agency and his staff. The Senator has spoken my sentiments. I assure him that the Senator's words of encouragement mean a great deal to those who are working in the field of arms control and disarmament. I know the Senator's speech will mean a great deal to the Agency Director, the President, and the American people, because the story of what the Arms Control and Disarmament Agency is attempting to do and the proposals being advanced by the President and the officers of this Government at Geneva is a story that is not understood; that, regrettably, is not fully reported; and that, regrettably, is often distorted. The Senator from Pennsylvania has made a real contribution in setting the record straight.

Mr. CLARK. I thank the Senator for his kind words and comments. I point out that the Senator from Minnesota, as chairman of the Subcommittee on Disarmament of the Committee on Foreign Relations, has rendered yeoman service in support of the President's program and in defending the able agents whom the President has appointed, with the advice and consent of the Senate, to follow up on our national policy. I regret that the elaborate and fine speeches the Senator from Minnesota has been making in this regard have received much less attention than what has been said by certain other Members in this body, or by individuals on the outside, who derogate our efforts to obtain a just and lasting peace.

THE WHEAT REFERENDUM

Mr. MANSFIELD. Mr. President, I generally have supported most farm programs, because I saw no other alternative to some of the serious commodity problems.

I was an enthusiastic supporter of Secretary Freeman's voluntary feed grain program and the 1962 and 1963 wheat programs. They have proved eminently successful in helping to maintain income and reduce surpluses. I was most happy to learn recently that as a result of these programs, we now are saving over $900,000 a day in storage and handling charges on grain we no longer hold.

I supported the 1964 wheat program for the same reasons. It seemed to me a workable and sensible solution to a problem that was becoming increasingly unmanageable.

I am confident that if wheatgrowers study the economic benefits they will receive under this program, they will approve it in the May 21 referendum.

However, should they reject it, the legislation provides that they will have an opportunity next year to consider the same decisions. My vote last year was based on the belief that farmers should have an opportunity to make a choice. I believe this feeling is shared by my colleagues; and, speaking for myself, I see no need to consider new legislation on wheat this year.

Mr. HUMPHREY. Mr. President, on May 21 the wheatgrowers of this country will for the first time have the opportunity to vote for the kind of wheat program they have discussed and worked for and supported for more than 30 years. Many farmers remember the legislative struggles of the 1920's when the McNary-Haugen bill was passed twice by a rural-minded Congress and twice vetoed by President Coolidge.

Again in 1956, Congress approved essentially the same wheat program in the omnibus farm bill which was vetoed by President Eisenhower.

Wheatgrowers achieved a substantial victory when the modernized version of the domestic parity wheat program was included in the Agricultural Act of 1962.

The members of the Senate and House Agriculture Committees voted for it.

The Members of the U.S. Senate and the House of Representatives voted for it.

President Kennedy signed it into law.

Now the question goes before the farmers themselves. If two-thirds of the growers vote "yes" in the forthcoming wheat referendum, they will bring into operation a grassroots program, devised by farmers, won by farmers, to be administered by farmers.

In this referendum, farmers will be asked to make the most important economic decision since 1933, when the first Agricultural Adjustment Act was passed. Since the decision is strictly economic—directly affecting the farmer's income—this decision should be made on the basis of fact and not fiction—reason and not fear—information and not ignorance.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. I commend the Senator from Minnesota for the statement he is making about the Food and Agricultural Act of 1962. I supported the enactment of that measure even though I come from a largely industrial State, because I liked its approach and the effort to meet the total problems of rural America. I am confident that there is much in the 1962 Farm Act which will benefit my State in the years to come. I hope that in due course the overwhelming majority of farmers of my State will be persuaded that that is the case. They are not at the moment persuaded, but I hope they will be, because it is the truth.

I supported the wheat program because it is a sound approach to a problem that was before the Senate even before I came here. I believe that the 1964 wheat program will provide a fair level of income for wheatgrowers and at the same time reduce unnecessary and costly surpluses, which have caused considerable resentment among my constituents. However, I believe it will be good for Pennsylvania, because it will save money for the taxpayers of Pennsylvania by reducing surpluses, which are costing the taxpayers of the Nation too much money.

I hear reports that if farmers reject the program in the forthcoming wheat referendum, Congress will enact a better wheat program. This I hesitate to believe. I am sure the Senator from Minnesota is better qualified than I to speak on that subject, but it seems to me that, in the first place, a rejection of the program in this referendum does not repeal the 1964 wheat program. It was passed as continuing legislation. Is that correct?

Mr. HUMPHREY. The Senator is absolutely correct.

Mr. CLARK. It provides that another referendum may be considered again in 1964, and in the years ahead.

In the second place, if wheat farmers turn down the program, I can only interpret this as meaning they do not want a program. I could not support new wheat legislation if the farmer did not want it. If we do not have new wheat legislation, I suspect that the wheat farmers will be a good deal worse off than they are now. Am I correct?

Mr. HUMPHREY. The Senator is correct.

Unfortunately, there are those who would like to turn this referendum into a political contest, or a test of a farmer's loyalty to a farm organization, or somehow present it as a controversy over civil rights for farmers. There are even those who are saying this is a kind of civil war between the wheat farmers of the North and the wheat farmers of the South—of the East against the West.

All of this is ridiculous.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Mr. President, coming from the other side of the Delaware, I echo the sentiments expressed by my neighbor and friend, the Senator from Pennsylvania [Mr. CLARK].

I have in my office some letters from constituents, a couple of farm publications and some pamphlets from various organizations—all claiming that Congress will pass new what legislation in the event the 1964 wheat program is rejected in this year's referendum.

All I can say is that either these people are completely unaware of the prevailing attitude of this Congress toward new farm legislation, or completely naive as to what it takes to get any kind of legislation through Congress.

In the last session, we gave wheatgrowers a good program—the best one I ever have seen since coming to Washington. The program provides for a referendum. The farmers can approve or reject it—that is their business. This is a choice they must make. It is the same choice they have had since 1952.

I hope wheat farmers will vote on the merits of the program and not on some

unlikely possibility that the Congress will pass a new program should the referendum fail.

If wheat farmers vote not to have a good wheat program, I do not intend to vote for a program which would not be as good for the farmer or the taxpayer.

Mr. HUMPHREY. I thank the Senator. The Senator from New Jersey is one of those who helped us on the basic legislation. I believe it is fair to say that New Jersey is certainly not one of the large wheat-producing States of the Union. Nevertheless, the Senator from New Jersey saw fit to give the wheat farmers of America an opportunity to improve their economic situation. The Senator's vote was deeply appreciated by the farmers of Minnesota and the farmers of the Midwest generally, with whom, I believe, I am rather well acquainted.

I am hopeful the farmers will heed the words of their friends from the eastern seaboard, particularly the words of the Senator from New Jersey and the Senator from Pennsylvania. The Senator from Pennsylvania also was one of those who supported this important agricultural legislation. They cast votes in the national interest and for the Nation's economic welfare without regard to the welfare of a particular State.

This is the kind of statesmanship the Nation appreciates.

The stakes in the referendum are these: A "yes" vote will result in a high level of income for wheat farmers and the orderly disposal of wheat surpluses. A "no" vote will mean runaway production, exceptionally low prices and more surpluses.

And there is another factor deserving close consideration. If this program is approved, the uncertainty surrounding wheat programs will be over. Growers will know how to plan for years ahead, not just for months ahead.

In the unlikely event that farmers vote against their own best interests in this referendum, "dollar" wheat very well could be the result.

A few years ago, in two separate studies made by economists from the top land-grant colleges in the Nation—one study for the Joint Economic Committee and one for the Senate Committee on Agriculture and Forestry—it was found that the price of wheat could go as low as 93 cents a bushel with uncontrolled production.

I think there is no disagreement among the supporters and the opponents of the 1964 wheat program that, if it should be turned down in the referendum, wheat acreage would increase to at least 65 million acres and production would go to 1.5 billion bushels.

Since with uncontrolled production there would be no effective price support and no storage loan program for farmers, the glut of wheat would have no place to go but to the market. Economic chaos would result.

A few weeks ago, North Dakota State University released a study of the effects for North Dakota of a "yes" or "no" vote in this referendum. The study produced some remarkable and disturbing figures.

The university economists found that North Dakota wheatgrowers would conservatively lose $68 million in income in the event a "no" vote carried.

Additionally, the study revealed that if a "no" vote prevailed, wheat farmers in western North Dakota would have to get $1.73 a bushel and increase their acreage 30 percent to end up with the same gross wheat income they would get under the 1964 wheat program. Central North Dakota wheat farmers would have to get $1.80 a bushel and Red River Valley farmers would have to get $1.70 a bushel.

Even the opponents of the program who are urging a "no" vote never have predicted that wheat prices would be higher than $1.40 if the referendum fails. The North Dakota study shows that figure to be too high—even for high-quality spring wheat.

These are convincing and conclusive dollar-and-cents arguments in favor of a "yes" vote. I am convinced that when farmers get the facts, instead of the fiction, they will agree in overwhelming numbers.

Mr. PELL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield to the Senator from Rhode Island.

Mr. PELL. There appears to be a determined effort underway to mislead farmers into believing that the Congress will consider new wheat legislation this year if the May 21 referendum proposal is not carried.

If my recollection is correct, I voted against the proposed farm legislation the year before, but the farm legislation enacted last year was supported by me and other Senators as a practical program leading to a reduction of the costly and unnecessary wheat surpluses.

This program provided the wheat farmer with a choice, which is reasonable and fair. It provided the means, for those who wished to have protection for farm price supports, to agree to accept controls of acreage. Or, if the farmers did not want controls, then they had to accept a withdrawal of support. It provided a means for the farmers to decide one way or the other.

As I have said, this program gave the wheat farmers a choice which is reasonable and fair: either controls with supports, or no support and no controls.

It also provided that, regardless of his decision in the referendum this year, the wheat farmer would have another opportunity next year to vote in another referendum, after seeing the effect of his decision this year.

Therefore, in my view, there is no need for further wheat legislation this year, regardless of the outcome of the referendum.

Mr. HUMPHREY. Mr. President, expressions such as the Senator from Rhode Island has just made, together with those of the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Pennsylvania [Mr. CLARK], indicate to me that the arguments which are being made across the land, that if farmers reject the wheat referendum, the thing to do is to come back to Congress and they will get a new program, are without merit.

As a friend of agriculture—and I do not believe anyone can honestly contend that this is not a true friendship—I believe farmers ought to listen very carefully to the words of Senators who have voted with them and have voted for the farm programs to help farmers, but who do not themselves have particularly large farm constituencies. We cannot always expect Senators who come from States such as Connecticut, Massachusetts, Rhode Island, New Jersey, and other States where there are not large farm populations, to stand up, time after time, and support farm programs, if the farmers themselves are going to reject them.

So I make appeal today to farmers to vote "yes" in the referendum, because I think it is in the Nation's interest and in the farmers' interest. I am convinced, from the statistical and economic studies I have seen thus far, that it is in the interest of the entire free world. It adds strength to our country. It has a way of leveling off production to meet the requirements at home and abroad. The referendum surely will provide relief to the American taxpayer.

There are some who would have farmers believe that if a "no" vote prevails, Congress will pass new wheat legislation. But the wheat legislation passed by Congress last year is long-range, continuing legislation—legislation that provides an alternative program of 50 percent of parity price supports to those farmers who stay within their allotments, should the referendum fail. It also provides that in 1964 farmers again would have the opportunity to vote in referendum for or against the wheat certificate plan. Therefore, I doubt very much that Congress would pass any interim, stop-gap, relief-type program, since the possibility of a "no" vote in the referendum already has been dealt with.

Regardless of my personal views, or what I am personally seeking to do as a Senator from the Midwest, I think I owe it to my friends in agriculture to tell them that we had a hard fight last year, a close battle to get the farm legislation we now have. If we have to go through another battle, with Members of Congress seeing a good program defeated in referendum, I doubt whether there will be any progress at all or any action by Congress.

It seems to me the prevailing attitude of Congress is if wheat farmers reject the 1964 wheat program it is because they prefer the alternative in the law. An increasing number of nonfarm Congressmen and Senators are weary—even exasperated—with the problem of wheat surpluses. The political facts are that farmers must get city support for farm legislation if it is to be enacted—and the prospect for any new action on wheat is unlikely at this time.

We are exceedingly grateful to Senators who come from predominantly urban States for their willingness to support the farm program. I think it was a good illustration of statesmanship and unselfish concern for the farmers of the

Nation, and indeed a wise decision on the part of Senators and Representatives.

Every Member of Congress, every farm organization, every person and organization interested in and dependent upon the prosperity of farmers, should cooperate in seeing that farmers get the facts and all the information necessary to make a wise decision in this referendum.

I support the referendum. I urge farmers to vote "yes." I am happy to say that most midwestern Senators, regardless of party, have made such a declaration. Senators from North Dakota, South Dakota, and Minnesota have urged, regardless of our differences politically, that farmers vote "yes" in the wheat referendum. We believe it is the wisest and most prudent vote, a vote which will help the farmer, the community, and, indeed, the entire Nation.

I am convinced that if the farmers can get the facts, such as the University of North Dakota has recently made available, on an objective, nonpartisan basis, the wheat farmers will approve the 1964 wheat program.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a letter from President Kennedy to Mr. M. W. Thatcher, chairman of the National Wheat Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, Mr. Thatcher also is general manager of the Farmers Union Grain Terminal Association in St. Paul, Minn., and president of the National Federation of Grain Cooperatives, which is holding its annual convention in Washington, D.C., this week.

The President, in his letter, reiterates what he has said on previous occasions, that no new wheat legislation was intended or is needed this year. I join with the President in commending Mr. Thatcher and the National Federation of Grain Cooperatives on their work in presenting to rural America the most complete and accurate information available in connection with the forthcoming wheat referendum.

The National Wheat Committee consists of leaders of several farm organizations and of wheat producers of America. The committee, without partisanship, since it is comprised of Democrats and Republicans, is attempting to bring the facts concerning the wheat referendum to the American farmer. It is doing this of its own accord, at its own expense, in the interest of the Nation and in the interest of the wheat producer as well.

I hope this measure of concern over the plight of agriculture and the opportunities which farmers now have in terms of the wheat referendum will command the attention of American farmers.

EXHIBIT 1

THE WHITE HOUSE,
Washington, D.C., March 29, 1963.

Mr. M. W. THATCHER,
President, National Federation of Grain Cooperatives, St. Paul, Minn.

DEAR MR. THATCHER: You and the National Federation of Grain Cooperatives are to be commended on the leadership you have taken, not only with regard to cooperative marketing of grain, but on other public issues affecting farm families. Your leadership in establishing the National Wheat Committee to inform farmers about the 1964 wheat referendum is the most recent example of your concern, and that of your federation, with larger matters of public policy.

In this referendum, farmers will decide on the wheat program for 1964. The decision they make will determine the price they receive for their crop next year.

This is a straight economic issue. It was presented to the Congress as an economic issue of importance to the farmer, consumer, and taxpayer, and the Congress acted upon it as such. It is a continuing program, and, whatever the result of this referendum, another referendum will be held next year for the 1965 crop.

There has been some speculation recently that the Congress might consider new wheat legislation this year if the referendum should not be approved. Had the Congress intended new legislation to be considered as an alternative to wheat marketing quotas, I believe it would have so provided. Instead, Congress provided a stopgap program of 50 percent of parity ($1.25 a bushel wheat) for those who elect to observe allotments if the referendum should fail in 1963. It also provided an opportunity for the wheat farmer to vote again in 1964 after he had a chance to see what happened under the stopgap program. It is clear, then, that no new wheat legislation was intended or is needed this year.

The stakes in the referendum on May 21 are the incomes of thousands of farm families in 1964. The Department of Agriculture estimates that total income from wheat production in the United States in 1964 will be some $700 million more with a "yes" vote than with a "no" vote. A recent report from North Dakota State University shows that net farm income in that State would be reduced by $68 million if the wheat program is not approved by farmers. Typical wheat farms in North Dakota would have their income cut in half.

The prosperity and well-being of many Midwest and Northwest communities depend, therefore, upon the extent to which farmers are informed on the issues in the coming wheat referendum. Farm equipment manufacturers, sellers of farm supplies, and businessmen up and down the main streets of every rural town have a stake in a favorable vote on the wheat program.

I believe the work you and the federation are doing to make sure that the wheat farmer understands the economic issues involved will contribute to the trend of progress now underway in agriculture.

Best wishes for a successful convention.

Sincerely,

JOHN F. KENNEDY.

REPORT TO FARMERS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD the text of a news letter which I circulated among farmers in Minnesota. It pertains to the President's farm message to Congress and the efforts made by this administration to improve the agricultural economy.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS RECEIVES FARM MESSAGE

President Kennedy's farm message to the Congress this year contains good news for rural America. It was an honor to be asked by the President to work on this message, and share with Secretary of Agriculture Freeman and the White House some of the views I have held on agricultural policy for many years. Here is what the President had to say:

"Net farm income for all of 1962 was $1.2 billion a year more than it was in 1960. Gross farm income is $2.7 billion higher.

"Average net income per farm has risen 18 percent, from $2,961 to $3,500, the highest level in our history.

"The increase in farm income has generated added business for rural industries and farm communities, putting millions of dollars into Main Street cash registers and adding at least 200,000 jobs to the national economy.

"At the same time, Government stockpiles of surplus grain have been reduced by 929 million bushels from their 1961 peak.

"And finally, over this same 2-year period, the proportion of consumer income required to purchase food has declined to the lowest ratio in history—19 percent of take-home pay."

FEED GRAINS

The President called for new feed grains legislation which will take advantage of the experience gained under the 1961, 1962, and 1963 programs. He said it should be a voluntary program, be flexible enough to meet varying conditions and needs, and be based upon the same basic principles which have proven successful in the last 2 years.

The 1961 and 1962 feed grains programs were successful. The 1963 program, which contains the new feature of a direct payment to cooperators, is an improvement. I suggested this revision for the 1963 crop year, and it is this type of program—a permanent, voluntary, direct payment program—that I will propose and support for the 1964 and subsequent crop years.

DAIRY PRODUCTS

The American dairy industry, from producer to distributor, received well deserved commendation from President Kennedy in his farm message. The Chief Executive pointed out that any American family can depend upon the availability of pure, nutritious milk and dairy products anywhere in the United States. "This accomplishment is the product of hard work, skill and know-how and heavy capital investment," the President said.

President Kennedy stressed, however, the urgent need for new dairy legislation, emphasizing there is little prospect for any improvement in dairy farmers' income or substantial reduction in Government cost unless a new program is passed.

I am pleased that the President accepted my recommendation and asked Congress to apply the successful principles of voluntary supply management to the dairy industry. He called for a program under which cooperating producers would receive price supports through market prices and direct payments.

I will, during this session of Congress, work for passage of a dairy program designed to improve farm income, to reduce the surplus, and make greater use of our dairy products at home and abroad.

WHEAT

President Kennedy called for "an affirmative vote in the forthcoming wheat referendum, to be held under the permanent legislation enacted by the Congress last year. Failure to approve the wheat program," the President said, "will leave the wheat farmer without either supply management or effective price supports * * *. New legislation for wheat is neither necessary nor feasible this year."

In a Senate speech this year I called upon the producers of wheat to cast an affirmative vote in the wheat referendum, stating that approval is in the farmers' interest and in the national interest. The permanent wheat program—the so-called wheat certificate plan—passed by the Congress last year is

a good wheat program. Under it, the national marketing quota will be about 1.2 billion bushels, and the national acreage allotment will be between 49 and 50 million acres. Most individual farm allotments for the 1964 crop will be the same as allotments for the 1962 crop and each farmer will know his farm allotment before the referendum. It may be identical to the allotment he had in 1962.

Price support for wheat will be about $2 a bushel and will apply to about 925 million bushels, 86 percent of the expected crop of 1,070 million bushels. Price support for the remainder of the crop will be about $1.30 a bushel. Advance diversion payments will be made at the time of signup. It is anticipated that production of special crops, such as safflower, sunflower, and castor beans will be authorized on diverted acreage. Wheat production on feed grain acreage will be authorized if there is a feed grain program in effect for 1964.

The total value of wheat production under the 1964 program will be at the high 1961–62 levels—overall more than $2.3 billion. Relative to other sectors of agriculture, wheat farmers will continue to have a very favorable income. If the referendum is defeated, gross income from wheat will be $700 million less than with a favorable vote, despite a wheat harvest of 65 million acres. This would shatter any hopes for prosperity in nearly every county seat town in 10 or 15 major wheat States, including Minnesota. The economy of the entire Corn Belt, and ultimately the great livestock producing States, is linked to the outcome of the wheat referendum.

SUGAR

Hard work, patience, and persistence have paid off with my announcement that a new sugarbeet processing factory will begin operations in the Red River Valley in 1965. The $18 million plant will be built by the American Crystal Sugar Co. in Drayton, N. Dak., and will process sugarbeets grown on an initial 12,000 acres in Kittson and Marshall Counties. I spent countless hours last year in talks with representatives of our Government and of the sugar industry in an effort to get a meeting of the minds on a new sugar bill. The success of these negotiations resulted in the Sugar Act of 1962, which provides a greater share of the domestic market to our own sugar producers, including those in northwest Minnesota.

FOOD FOR PEACE

Richard W. Reuter, who replaced South Dakota Senator GEORGE MCGOVERN as director of the food-for-peace program, submitted an encouraging report recently on the program and outlook for 1963.

Mr. Reuter said under food-for-peace emergency feeding activities, U.S. food currently is reaching an average of 92 million people a day in more than 100 countries throughout the world, an increase of 9 million compared with a year ago. He also declared:

"Sales of foodstuffs and other agricultural commodities for foreign currencies under the program were 50 percent greater in the last 6 months of 1962 than in the previous 6-month period—having totaled 15.6 million metric tons to 19 nations for the foreign currency equivalent of $888 million; and

Six agreements were signed for the sale of agricultural commodities for dollars payable over a span of years, the total of $51.9 million, including ocean transportation costs, representing a 15-percent increase over the previous 6 months.

I introduced the concept of food for peace 5 years ago at a time the negative attitude of "surplus disposal" was causing ill will among people of our own country and our neighbors abroad. Through food for peace this negative attitude has been replaced with the positive approach of using our abundance of food and fiber to aid those less fortunate then ourselves.

The food donations, Mr. Reuter said in his report, "are bringing new life and hope" to needy people throughout the world while the sales programs "are proving to be a unique weapon for waging war upon economic backwardness, and also help for developing future commercial markets for U.S. agricultural commodities."

RURAL AREA DEVELOPMENT

Here are the highlights of President Kennedy's recommendations:

Rural housing loans put on an insured basis in order to increase volume and reduce demands on the Federal budget. Loans to farmers and rural residents for high school, vocational and higher education. Expand the permissible size of small watershed projects.

Provisions to keep conservation reserve land from reverting to crops when contracts expire. Lift the $10 million limit in the 1962 farm bill on the pilot land adjustment program.

The Department of Agriculture, in addition to the President's recommendations, is considering its own requests:

More loan authority for rural facilities such as access roads, community halls, and swimming pools.

Increase the ceiling on volume of insured farm ownership loans from the present $200 million to $250 million. My bill last year raised the limit from $150 million to $200 million.

A commission on rural life similar to Theodore Roosevelt's of more than 50 years ago.

FOOD STAMP PLAN

In view of the widespread and enthusiastic acceptance, and the beneficial results of my food stamp program, President Kennedy has recommended that enabling legislation be enacted to permit its progressive expansion into all areas of the Nation where conditions warrant its establishment. Under this program, food stamps are issued to the needy and used by them for purchases at the local stores. It currently is in effect in three Minnesota counties—St. Louis, Itasca, and Carlton. My mail indicates strong support for this program and a desire on the part of many county officials for its expansion to their areas.

FARMERS' WEEK

I will introduce a bill in the Senate this year to set aside the first week in spring each year as Farmers' Week. Such a week would serve to call attention to the American people the farmers' contribution to the strength and resources of our country. It is entirely appropriate that the farmers of America should be singled out, as are our other working men and women, for their highly successful efforts in making this Nation the best fed on earth at the lowest cost.

FARMERS HOME ADMINISTRATION

In a recent Senate speech I asked that the Farmers Home Administration be given an additional $50 million for operating loans for the remainder of this fiscal year. There is an urgent need for these funds to be appropriated in order to help farmers buy equipment, livestock, feed, and fertilizer this spring. I will continue to urge that the FHA be given sufficient funds to adequately meet the credit needs of our deserving farm families.

FOOD RESERVES

I will introduce legislation this year which will set up a commission responsible to the President, and reporting through him to the Congress, to study the entire subject of necessary reserves of food. This is a matter of the greatest national and international importance. Such a commission could greatly assist the Congress in establishing legislative guidelines to the Secretary of Agriculture, to the Department of Defense, to the Department of State, and to the National Security Agency on the need, management and location of supplies in the national interest and in the interest of the free people of all nations.

EXPORTS AND THE COMMON MARKET

Exports of farm commodities reached a record $5.1 billion in fiscal year 1962. Dollar markets abroad for the products of our farms have been expanded to a total of $3.5 billion, and thus constitute a significant factor in our balance of payments.

In his farm message, President Kennedy paid tribute to the American farmer as "one of our best foreign exchange earners." "It is our firm policy," the President said, "to maintain and expand these exports." After pointing out that we have a special problem of maintaining access to the European Common Market for some of our important agricultural commodities, the President added this significant statement:

"This Government intends to take every step necessary to protect the full rights due American agricultural exports. We have impressed on our trading partners the vital necessity of a fair agreement as an essential first part of the broad scale negotiations to be undertaken under the Trade Expansion Act of 1962."

We will be hearing a lot about the Common Market in the days to come. The strong words of the President, the outstanding battle being waged by Secretary of Agriculture Freeman on behalf of rural America, and the concern of the Congress in maintaining and increasing agricultural exports, provide a ray of hope for the future of American agricultural products in international trade.

HUBERT H. HUMPHREY.

CURTAILMENT OF USE OF VITAMIN K_3

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement relative to the removal from the market of a highly questionable ingredient which had been used in certain multivitamin capsules. The removal was accomplished only last week. The Food and Drug Administration has prepared an order to rescind the temporary extension of a food additive petition on vitamin K_3.

I mention this subject because as chairman of a subcommittee, I have been holding hearings on matters relating to the Food and Drug Administration, particularly those relating to certain drugs which may not have been sufficiently tested and scrutinized as required under Food and Drug regulations. So I submit a release I issued March 28, following our hearings on the questionable vitamin K_3.

The Food and Drug Administration still has a long way to go in achieving greater scientific and administrative excellence in connection with its programs; but I am happy to report it is making progress. From time to time I have reported to the Senate on the proposed National Drug Information Clearinghouse to conduct interagency studies on drug research and regulation. I shall continue to do so in the days ahead. I also will continue to submit brief progress reports on the protection of the public health, on our efforts to secure safe and efficacious drugs and on the efforts we in the subcommittee have been making to improve the administrative structure of the Food and Drug Administration.

Today, I merely wish to say that there is improvement, and that we have reasons to feel encouraged.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY PREDICTS "CONSUMER VICTORY" ON "QUESTIONABLE" VITAMIN IMPLICATED IN INJURY OF NEWBORN

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, predicted "consumer victory shortly" over a "questionable" ingredient which appears in certain multivitamin capsules, given to pregnant women.

The Food and Drug Administration, he said, is reportedly preparing an order to rescind temporary extension of a food additive petition on vitamin K_3.

Last week, a Senate Government Operations Subcommittee, of which HUMPHREY is chairman, heard testimony, implicating this particular vitamin in possible damage to the newborn.

HUMPHREY stated that he will present "additional strong evidence" on dangers of the drug in a Senate speech on Friday.

Dr. John O. Nestor, a pediatrician employed by FDA, had charged that use of the vitamin in prenatal supplements may result in some instances in "brain damage, spasticity, and death" to the newborn.

Nestor stated that the drug, Menadione, appears on the market in 50 to 70 products, many of which can be purchased without a prescription. He contended that nonmedical officials in FDA's Division of Nutrition and Pharmacology had overruled the Agency's Bureau of Medicine on use of the drug. The non-M.D.'s, he asserted, "overlook that a pregnant woman carries a fetus and that babies are sometimes born with jaundice."

HUMPHREY stated that the vitamin K_3 case now appears "even more incredible than it did at the outset."

"It was, first, curious that nonmedical officers in FDA chose to fight so long and so tenaciously, despite thick folders full of medical evidence from nongovernmental sources pointing to dangers of vitamin K_3."

He continued, "many of these nonmedical officers in FDA are outstanding scienists in other fields, and their acting in the best of faith has never been and is not questioned."

"But now," said HUMPHREY, "we learn that, in the same Federal Department, the National Institutes of Health (which know more about prenatal injury than any other source) had also publicly expressed concern over vitamin K_3."

The subcommittee "has just learned," he said, "that 2½ months before Dr. Nestor testified, the National Institute for Neurological Diseases and Blindness had included in an 84-page report a brief but solid criticism of the practice of giving high doses of vitamin K_3 to pregnant women."

This Neurological Institute comment, HUMPHREY added, "offers another illustration of the soundness of the subcommittee in insisting upon closer, prompter and more continuing cooperation between the Food and Drug Administration, the National Institutes of Health, and other Federal agencies."

FDA, he said, may now attempt to pass off prospective elimination of vitamin K_3 as an allegedly routine action. "The fact is," he continued, "that it has taken a behind-the-scenes battle of more than a year and a public airing of the situation to get FDA to act decisively."

HUMPHREY said that he had further confirmed that another drug, Mylicon, which Dr. Nestor had forced from the market as a pediatric drug, is still unfortunately being sold for infant use.

The company, making the product, had admittedly marketed it without applying through standard new drug application procedure. The company had contended that the product was "physiologically inert" and was generally regarded as safe. Following Dr. Nestor's complaint with regard to use by infants, the company had agreed to remove the drug's specific claim for use for infant colic. The company stated publicly, moreover, that it ceased to promote the product for infants.

HUMPHREY, however, announced that after public testimony, Dr. Nestor, in purchasing Mylicon at a nearby drugstore, found that the product was only available, in that instance, in the very form in which it is likeliest to be used for infants; namely, as drops. In addition, said HUMPHREY, an upstate New York mother wrote him that, as recently as 2 weeks ago, her doctor prescribed the drug for her 5-month-old baby. We were shocked and heartsick, the mother wrote, when she heard of Dr. Nestor's statement that the drug's safety for babies had not been proved and deeply grateful for the subcommittee's inquiry.

HUMPHREY concluded on Mylicon, "the net effect of all FDA's and the company's actions is that a drug, not specifically cleared as to safety for babies, is still used for babies, because there is no specific word of caution against such use, and, indeed, because there is ambiguous wording which might contribute to such use."

In other developments, HUMPHREY stated:

(a) He is informing the Food and Drug Administration that the subcommittee will expect "as soon as feasible its detailed written reactions" to criticisms offered in last week's hearings.

(b) The Senate subcommittee will schedule future hearings only after its staff has examined FDA files on drugs criticized by Dr. Nestor, as well as "on certain other cases" and subcommittee members have received the facts.

HUMPHREY commended the interest of Dr. Luther Terry, Surgeon General of the U.S. Public Health Service, in a proposed National Drug Information Clearinghouse.

The Minnesota Senator praised the "dedicated activity" of Terry's Assistant for Science Information, Dr. F. Ellis Kelsey. He is the husband of Dr. Frances Kelsey who prevented the commercial marketing of thalidomide in the United States.

"A Drug Clearinghouse," HUMPHREY concluded, "could help increase the use of the vast number of safe, efficacious drugs; it could help minimize the use of whatever drugs are not safe and/or efficacious.

"The Clearinghouse could help further raise the high and well-justified confidence of the American people in the healing arts, including pharmaceutical science."

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn until tomorrow, at 11 o'clock a.m., in accordance with the order previously entered.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, April 2, 1963, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate April 1, 1963:

DIPLOMATIC AND FOREIGN SERVICE

George C. McGhee, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

STATE DEPARTMENT

Roger Hilsman, Jr., of Maryland, to be an Assistant Secretary of State.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1, 1963:

POST OFFICE DEPARTMENT

Fred Gates, of Minnesota, to be a member of the Advisory Board for the Post Office Department.

POSTMASTERS

CALIFORNIA

Floyd H. Erickson, Ahwahnee.
E. Vernon Putnam, Arbuckle.
Joy L. Fansler, Big Pine.
Carl W. Fischer, Jr., Camarillo.
Laura B. Morgan, Clayton.
Clayton F. Malling, El Cerrito.
Alice O. Mills, Finley.
Joe R. Edde, Five Points.
Nathaniel R. Evans, Fortuna.
Robert M. Lee, Freedom.
Frances M. Reed, Glen Ellen.
Ralph E. Lozano, Greenville.
Jack J. Snyder, Harbor City.
Louis L. Brunnemer, Los Molinos.
John F. Bushell, Oakland.
Nancy C. Avery, Pacoima.
Edgar L. King, Stratford.
Lee B. Downs, Whittier.

DELAWARE

Thomas Holcomb, New Castle.

FLORIDA

Myrla M. Bishop, Archer.
Ross C. Marler, Destin.
Ruth A. Childers, Florahome.
J. Donald Carter, Fort Myers Beach.
Daniel D. Clements, Land O'Lakes.
William C. Hurston, Laurel Hill.
A. Edward Hoyt, Port Richey.

ILLINOIS

James C. Hobbs, Abingdon.
Eugene J. Tafel, Algonquin.
Charles E. Resch, Anna.
Peter W. Bast, Ashland.
Lola M. Baumunk, Bardolph.
Clemit T. Peifer, Beecher City.
Marvin H. Stewart, Brighton.
Orville E. Van Brocklin, Caledonia.
Lee Bush, Cambria.
Maynard R. Koltz, Capron.
Joseph F. Alfeld, Carrollton.
Marvin C. McCulley, Chatham.
James T. Bobbit, Dalton City.
Mabel J. Atkins, Dawson.
Joel F. Parker, Divernon.
Verna H. Welsh, Durand.
Arthur L. Lawrence, East Alton.
Richard C. Hazer, Elizabeth.
Robert A. Smith, Elvaston.
Clifford L. Lehman, Eureka.
William H. Haycraft, Franklin.
George C. Cavanaugh, Gillespie.
Charles J. Nash, Greenville.
Edythe A. Grover, Hamburg.
Russell W. Martin, Hanover.
Paul D. Jordan, Herscher.
L. Dale Wingo, Kenney.
Carl H. Vaughn, Kinderhook.
Dona J. Beard, Leaf River.
Richard J. Thilmony, Loda.
Donald W. Ferris, Marshall.
Haven W. Hammond, Martinsville.
Leroy M. Smith, McHenry.
Ora K. Reid, Media.
Betty J. Jones, Mound City.
John R. Ryan, Mundelein.
Morris A. Mettendorf, Neoga.
Anton Macrowski, Jr., North Chicago.
C. Kenneth Sizemore, Paris.
Vincent E. Stephenson, Pittsfield.
Norbert W. Haberer, Pocahontas.
Leo A. Hayes, Ramsey.
Henry W. Roehrkasse, Red Bud.
Charles F. Schultz, Reynolds.

Owen A. Reimer, Roscoe.
Curtis J. German, Rossville.
Leonard M. Koeberlein, St. Elmo.
Wendell L. Smith, Sandwich.
G. Kenneth Furrer, San Jose.
W. Rex Butler, Saybrook.
G. Clark Ewing, Sheldon.
Ralph F. Bennett, Sidell.
William J. Murphy, Stockton.
Kenneth B. Lorenson, Sullivan.
Gerald A. Melvin, Tamaroa.
Cornelius L. DiPlotti, Taylorville.
Edwin B. Wirth, Techny.
William E. Morgan, Tennessee.
Dorothy E. Anderson, Thomasboro.
Donovan O. Hutchins, Viola.
John R. Graves, Virginia.
Warden D. White, Wayne City.
Eldon R. Bristow, Waynesville.
Thomas A. Wood, Wheaton.
James T. Shinnebarger, Williamsville.
Harold G. Minor, Windsor.
Ruth P. Spraggins, Yale.

KANSAS

Henry L. Smith, Abilene.
Donald I. Beamgard, Atwood.
Joseph B. Nick, Basehor.
Virgil W. McCune, Benton.
Francis R. Gorman, Chapman.
Fred A. Riggs, Cottonwood Falls.
Myrl H. Kliesen, Dodge City.
Harold D. Brown, Eureka.
Herbert P. Franz, Goessel.
Donald E. Plank, Iuka.
Burgess L. Stephenson, Leoti.
Robert W. Foster, Sterling.
Daryl M. Ford, Valley Falls.

LOUISIANA

Rhea L. McIlveene, Cotton Valley.
Nelson J. Falcon, Duson.
Rowland C. Regan, Egan.
Lloyd E. Chachere, Eunice.
Phillip A. Hanks, Greensburg.
William E. Scott, Lake Providence.
Chester L. Guidry, Morse.
Cecile B. Cheramie, Paradis.
Frances B. Farmer, Princeton.
Marvin E. Schauf, St. Joseph.

MICHIGAN

Florence W. Letvennow, Atlantic Mine.
Stennette E. Walsworth, Augusta.
Robert E. Mohr, Clinton.
James M. Mahoney, Decatur.
William H. Schwartz, Flint.
Allen J. Dahl, Iron River.
John W. Kelly, Manistique.
Leslie C. Willer, Marion.
Leo E. Osterberg, Pleasant Lake.
John H. Brule, Watervliet.

MINNESOTA

Marvin G. Loeck, Balaton.
M. Wallace Post, Cottonwood.
William J. Pattinson, Currie.
Charles G. Lenz, Ellsworth.
Audrey A. Johnson, Esko.
Earl W. Dressen, Green Isle.
Virgil R. Buffington, Kenyon.
Walter A. Dietz, Mapleton.
Fred M. Colwell, Morton.
Eugenie A. Wollum, Porter.
Harold A. Legatt, Rice.
Loren L. Marsden, St. James.
Chester L. Stimpert, Sleepy Eye.
Gordon W. Friesen, Solway.
Bertrand H. Strandlund, Stacy.
Dellin F. Segar, Wells.

MISSOURI

Albert D. Teter, Callao.
Griffith E. Benson, Chillicothe.
Lewis D. Baldwin, Collins.
Charles A. Reed, Concordia.
Johnnie Moyer, Jr., Corder.
John W. Volker, Craig.
Kenneth W. Alexander, Greentop.
Walter E. Bamman, Jacksonville.
George E. Bennett, Purdy.
Herbert L. Coggin, Republic.
William B. Bales, St. Peters.
Clyde E. Maxwell, Thompson.
Barclay T. Cortelyou, Troy.
James M. Crighton, Willard.

NEVADA

Maxine A. Anderson, Verdi.

NORTH CAROLINA

J. Preston Andrews, Jr., Bahama.
L. Hubert Collins, Brunswick.
Patricia S. Fipps, Clarendon.
Josephine D. Riggs, Cove City.
George B. Herndon, Fayetteville.
Henderson W. Haire, Garner.
Edward K. Leggett, Hobgood.
Helen H. Huggins, Laurel Hill.
Louis E. Bottiglier, Lillington.
Giles F. Bryson, Marble.

NORTH DAKOTA

Robert E. Fischer, Hague.
William L. Arenstein, Washburn.

OHIO

Kathryn E. Peters, Arcadia.
Louise E. Hoover, Bascom.
Herbert G. Wright, Grand Rapids.
Kenneth W. Gerber, Kidron.
Frances M. Adams, Ludlow Falls.
Mabel M. Bendetta, Malvern.
Russell E. Yackee, Martin.
Paul L. Casci, Middleport.
John W. Sharick, Nankin.
Emmet F. Millard, Oregonia.
Ruth E. Kenny, Paris.
Josephine E. Pittenger, Pavonia.
Wesley D. Wickline, Rio Grande.
Billy H. Ten Eyck, Vanburen.
Harold A. Schonhardt, Venice.
Kenneth H. Haynes, Whitehouse.

OREGON

Ned Palmer, Dayton.
Vernon E. Stewart, Haines.
Orval R. Layton, Lakeview.
Joseph L. Dail, Nyssa.
Eva L. Albert, Trail.
Bernice M. Ladd, Tualatin.
Laura A. Wassenmiller, Tygh Valley.

PUERTO RICO

Sixto G. Mercado, Isabela.

SOUTH CAROLINA

J. Lawton Harper, Estill.
Ralph E. Edenfield, North Augusta.
William D. Russell, Ware Shoals.

SOUTH DAKOTA

William C. Feather, Marty.
Wanda M. Humiston, Oelrichs.
Virgil C. Guderian, Waubay.

TENNESSEE

Robert E. Harris, Kingston Springs.
Roscoe M. Hill, Luttrell.
William A. Roberts, Newport.
James H. Armstrong, Rogersville.
Gladys I. Price, St. Bethlehem.
John E. Griffith, South Pittsburg.

TEXAS

Thomas H. Journeay, Angleton.
Marjorie W. Duncan, Bedias.
Thava H. Brown, Canutillo.
Oscar R. Hawkins, Crawford.
A. Earl Beck, Dumas.
James J. Kaster, El Paso.
Anna L. Franklin, Fort Hancock.
Clarence E. Garrett, Pittsburg.
Mary L. Rutherford, Putnam.
Elmo W. Ullrich, Randolph Air Force Base.
Milton H. Elliott, Shallowater.
Bertha L. Delz, Texon.

UTAH

Harry J. Bigelow, Kamas.

VIRGINIA

Alfred P. Tirelis, Alberta.
Robert J. Sturgis, Belle Haven.
Doran W. Fary, Deltaville.
Annie D. Berry, Madison.
Hume P. Doyle, McKenney.
John G. Mizell, Richmond.
Charles M. Mastin, Spotsylvania.

WEST VIRGINIA

Maynard W. Weaver, Arthurdale.
Robert F. Wilson, Decota.
Kenneth L. Taylor, Hopemont.
Fletcher E. Andrews, Proctor.
Clyde E. McClung, Reedy.
Dennis P. Stanley, Superior.
Ross White, Weston.
Benjamin F. Lowe, Jr., Yolyn.

EXTENSIONS OF REMARKS

West Virginia Is Proud of Goodyear

EXTENSION OF REMARKS

OF

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1963

Mr. HECHLER. Mr. Speaker, as you drive along Route 2, the Ohio River Road, midway between Huntington and Point Pleasant, W. Va., you reach one of the most modern industrial facilities in the entire region, the $12 million plant of the Goodyear Tire & Rubber Co.

There are great industrial opportunities in the booming Ohio River valley, and few concerns have taken better advantage of these opportunities than Goodyear. Half a dozen years ago, the electric news streaked through West Virginia that Goodyear planned to construct a new plant at Apple Grove, devoted to some strange new products which seemed a far cry from the automobile tires which our fathers always associated with Goodyear.

ACCIDENTAL DISCOVERY

Actually, the Goodyear chemists 20 years ago were bent over their test tubes and microscopes in a restless laboratory search for a fiber which would make an improved cord for tires. When the chemists came up with their answers, they came close to being fired because they produced fibers which were useless for making tire cord. Fortunately, the moguls of Goodyear told them: "Go on back to your test tubes and see what you have produced." Out of this polyester research came a new polyester resin. The researchers never dreamed they would be producing something which might revolutionize the textile industry and the building industry.

The magic new products were Vitel, a resin from which manmade, synthetic fibers are spun; and Videne, a laminating film with tough, resistant qualities.